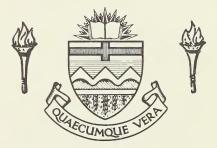


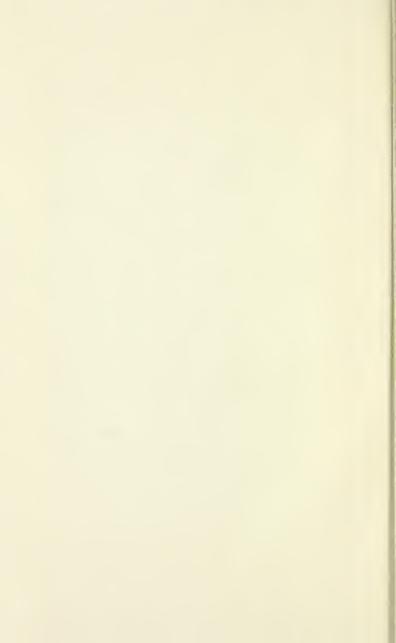
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THE POST-WAR WORLD



The

POST-WAR WORLD:

A Short Political History

1918-1934

by

J. HAMPDEN JACKSON

author of Europe Since the War

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INTRODUCTION

THE AIM OF THIS BOOK is to make the history of the vorld in the post-war years intelligible to the ordinary lewspaper-reading man. It will bore specialists and anger artisans.

The main theme is a simple one (and yet not easy to race; this introduction, like most of its kind, should peraps be read last). In the nineteenth century the developnent of machine-industry put riches and power into the ands of the peoples of Western Europe and North America. They used their power to extend their Western civilization o other parts of the world, and their riches to make more iches by specializing in machine-production, using the est of the world as sources for their raw materials and as potential markets for their machine-made goods. At the beginning of the twentieth century these "backward" aces began to rebel against Western domination: there was revolution in Russia in 1905, in Mexico in 1910, in China n 1911. Then the rivalry between the industrialized nations of Europe for foreign markets led to the war of 1914–18 n which the whole world was directly or indirectly involved.

The victorious Powers used their victory for two purposes: to cripple their vanquished European neighbours and to extend their economic supremacy outside Europe—the United States "developed" the rest of America, Great Britain and France competed for control of the Near East. The consequence of this might have been foreseen. The crippled nations, Germany and Austria, threw the body politic of Europe out of joint. And the revolt of the backward nations which had begun before the war continued with renewed impetus. Russia underwent a second and complete

revolution; the Chinese revolution went into a militant phase and found a new enemy in Japan—the first non-Western Power to adapt the secrets of industrialism to its own uses. The revolt spread to Arabia, to India, to the East Indies, to Africa.

Meanwhile the Western Powers, handicapped by the task of paying for the war, by the new independent spirit abroad and by the militant spirit which their oppression had created in Central Europe, suddenly found their economic structure top-heavy. A financial crisis developed in New York, in Vienna, in London and spread to the rest of the world. The industrial countries could not afford to pay the old prices for raw materials, the raw-material-producing countries could not afford to buy industrial goods. In 1929 trade between nations began to dwindle rapidly.

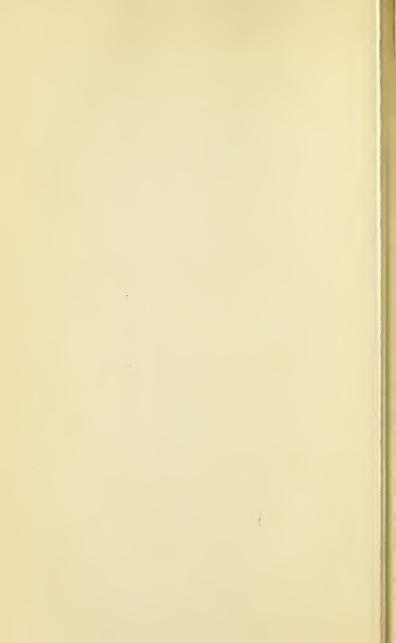
Nobody knew the cause of the trouble. One only knew that here was a crisis, and a crisis, whatever the cause, demands discipline. In the cause of discipline democratic citizens submitted, more or less consciously, to political dictatorship and individualist business men to economic planning. In every nation the inhabitants drew more closely together, sheltering from the economic storm behind tariff walls and a policy of national self-sufficiency. International distrust increased and attempts at international co-operation in the critical years 1929–34 failed. But out of the crisis grew a recognition that the old idea of Western supremacy had been based on a false foundation, that industrial riches could not be converted into communal wealth by the oppression of class by class and of nation by nation.

Such is the main theme of the post-war history of the world. It might be developed in one of two ways: year by year, taking the years of transition (1918-23) as one period, the years of plenty (1923-29) as another, and then the lean years (1929-34); or continent by continent, taking first the peace settlement and its consequences in Europe, then the story of the revolts against Western domination in Russia, in the Islamic States, in the Far East and in Africa, then the simpler story of America—the prosperity of the

ited States and its repercussions in the other nations hat continent—and finally a consideration of the interional aspects of the crisis and the international attempts recovery. The latter plan has been adopted in this book. It is impossible to be impartial when writing of things which one is part. It is impossible to be accurate when ting of movements which are still in progress. All that in be hoped is that whatever bias there may be is uncrusive and whatever inaccuracies, obvious.



PART ONE EUROPE



I: THE PEACE CONFERENCE

IT IS DIFFICULT to remember now why the World War was fought. In 1917 it was even more difficult to emember. Eight million young men had laid down their ives—for what? The survivors in the trenches did not know to them it seemed a hideous mistake, a vast madness; hey were ready to stop fighting even if it meant desertion: n May a French army mutinied, in November the Russian armies and fleet mutinied, turned against the régime which had led them into war, and overthrew it. The statesmen and leaders of the European Powers did not know—they were too much engrossed in the business of winning the war to remember what they were fighting for. Outlines of the settlement they meant to enforce were drafted by this Power and by that but none offered a basis for a peace that anyone but its authors could expect to be lasting. The most enlightened of the Allies seemed to have been bemused by the prospect of loot. Even General Smuts, writing a memorandum for the Imperial War Cabinet, could get no further in a statement of war aims than to insist on:

"(a) Destruction of the German Colonial System, with a view to the future security of all communications vital to the British Empire. This has already been done—an achievement of enormous value which ought not to be endangered at the peace negotiations.

"(b) Tearing off from the Turkish Empire all parts that may afford Germany opportunity of expansion to the Far East and of endangering our own position as an Asiatic Power. This has essentially been achieved, although the additional conquest of Palestine may be

necessary to complete the task."

Of all the leaders of the belligerent Powers only one was far enough removed from the heat of battle to give a clear statement of war aims in which all sides could acquiesce On January 8, 1918, President Wilson of the United States summarized them in Fourteen Points. In February he supplemented the Points by Four Principles and later by Five Particulars, and throughout the spring, summer and autumn he stressed them in speech after speech. Wilson's Points and their appendix spread over the world like a gospel. For the principles of the new prophet arisen in the West Arabs turned against their Ottoman war-lords, Serbs Croats, Slovenes and Czechs against the imperialism of Vienna, Germans against the imperialism of Berlin Austria-Hungary surrendered, Bulgaria surrendered—unconditionally, for what did conditions matter if the ultimate peace was to be based on the Fourteen Points? In Germany a Liberal Ministry under Prince Max of Baden was formed in October to sue for peace on the basis of Wilson's Points and when negotiations lingered the German fleet mutinied and revolution broke out in the north and in the south overthrew the monarchy and established a Social Demo cratic Government which signed the Armistice on November II. The terms of the Armistice were unexpectedly severe but what did that matter? The Allies had promised tha the terms of peace would be based on the Fourteer Points

Wilson's Idea of Peace. The principles of President Wilson involved nothing very startling, nothing very new nothing that had not been mooted by idealists for generations. They were important because they were put forward by the President of the most powerful nation in the world the nation on which the European Powers were at tha moment dependent for supplies of food and money, and because they were accepted by Allies and Central Power and by every oppressed race, tribe and caste in Europe Asia and Africa as the basis for peace, the charter of libertic for the new age.

The points are worth quoting; their phrases were echoed over the world in 1918 and 1919.

First the Four Principles:

(i) "Each part of the final settlement must be based upon the essential justice of that particular case."

(ii) "Peoples and provinces must not be bartered about from sovereignty to sovereignty as if they were pawns

in a game."

- (iii) "Every territorial settlement must be in the interests of the populations concerned; and not as a part of any mere adjustment or compromise of claims among rival States."
- (iv) "All well-defined national elements shall be accorded the utmost satisfaction that can be accorded them without introducing new, or perpetuating old, elements of discord and antagonism."

The Fourteen Points must be summarized:

(1) "Open covenants of peace openly arrived at."

(2) "Absolute freedom of navigation upon the seas outside territorial waters alike in peace and war . . ."

(3) "The removal, as far as possible, of all economic barriers."

(4) "Adequate guarantees given and taken that national armaments will be reduced to the lowest point con-

sistent with domestic safety."

(5) "A free, open-minded and absolutely impartial adjustment of colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined."

(6) "The evacuation of all Russian Territory. . . ."
"Russia to be given unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy."

Russia to be welcome, "and more than welcome," in the League of Nations "under institutions of her own choosing" and to be given every form of assistance.

(7) Belgium to be evacuated and restored.

(8) France to be evacuated, the invaded portions "restored" and Alsace-Lorraine returned to her.

(9) "A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality."

(10) "The peoples of Austria-Hungary... to be accorded the freest opportunity for autonomous development."

(11) Rumania, Serbia and Montenegro to be evacuated, occupied territories to be "restored." Serbia to be given free access to the sea.

(12) Turkish portions of Ottoman Empire to be assured "a secure sovereignty." Subject nationalities to be assured security and "absolutely unmolested oppor-

tunity of autonomous development."

(13) Independent Polish State to be erected "which should include territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea."

(14) A general association of nations to be formed under specific covenants "for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small States alike."

A month after the signing of the Armistice President Wilson came to Europe. He descended like Moses from the mountain, bearing the tables of the law. And like Moses he found that the men he had come to lead were worshipping a graven image, the old idol of war. Lloyd George had just won an election on the slogan "Make Germany Pay" and had behind him the most vindictive, most jingo House of Commons England had ever known. In France the President, Poincaré, was determined to wipe Germany off the map and the Prime Minister, Clemenceau, though less extreme, was openly sceptical about the Fourteen Points: "The American President," he would say,

has fourteen Commandments; the Good Lord Himself ad only ten." In Italy, Greece and Rumania the Prime finisters and the majorities behind them were opposed to be Points: they wanted the loot they had been promised by cret treaties as the price of their intervention. Italian atesmen, for instance, were claiming the Trentino, the yrol and the Dalmatian coast under the terms of the reaty of London of 1915. Wilson protested that he had eard nothing of these secret treaties. Nobody believed im.

The first full session of the Peace Conference opened in aris on January 18, 1919. The choice of Paris was the 18 rst set-back to Wilsonism, for in Paris war-fever raged igher than anywhere else. A second set-back was the 18 bsence of any representatives of Germany or of her allies, or of Russia. A third set-back occurred during the opening neeting: obviously nothing could be decided if every one of the fifty-three Allies and Associated Powers were to discuss every point in public; the Conference delegated the work of drawing up the treaties to a Council of Ten, consisting of the Prime Ministers and Foreign Ministers of the ive leading Powers, America, Britain, France, Italy and apan. This meant the rejection of Wilson's first point: Open covenants of peace openly arrived at."

Wilson realized the difficulties before him and decided upon a very simple strategy. He put the League of Nations, his fourteenth Point, first upon the agenda of the Conference and worked for that only, shutting his eyes to everything else. The Covenant of the League was to be the real Peace Settlement; the actual treaties would be mere appendages, embodying the various Points and working out details.

The ideal of a League of Nations was not of course new. European statesmen had attempted to achieve it in forms as old as the Holy Roman Empire and as recent as the Holy Alliance. Wilson's ideal was new only insomuch that it included all the nations of the world, Christian as well as non-Christian, vanquished as well as victors and neutrals.

He himself had no very definite conception of the form it was to take; he looked to others for suggestions to be embodied in the Covenant which was to be the constitutional law of the League. Lord Phillimore contributed one draft for the Covenant, Wilson's own assistant, Colonel House, added the suggestion that there should be a permanent international Secretariat acting as a clearing-house for international reforms, and a Permanent International Court. The South African, General Smuts, put forward a scheme for a Council, to be the Cabinet, as it were, of the League, and proposed a method for administering the colonies and national minorities of the defeated Powers by which experienced States should be invited to accept the task of training the new "Nations" to the responsibility of self-government—a method for which he coined the blessed word Mandate. The English statesman, Lord Robert Cecil, confirmed Smuts' suggestions, and added a clause giving the Greater Powers a majority on the League Council. The Frenchman, Léon Bourgeois, proposed that the League should have at its disposal an international army to enforce its decisions, but this proposal was rejected.

The Allied Ministers were distrustful of the League idea and highly impatient of the delay involved by the drafting of the Covenant. Wilson held obstinately to his course and won his first diplomatic victory by getting the Conference to accept the principle "that this League should be treated as an integral part of the General Treaty of Peace." On February 14 the Covenant of the League was accepted by the Conference and a day later Wilson sailed, tired but triumphant, to fulfil Presidential duties in America. He would be away from Paris for four weeks.

So far the Conference had gone on Wilson's lines. General principles had been laid down but nothing whatever had been settled. Wilson had proved himself a disappointing and exasperating man. His frigid aloofness, his way of treating his collaborators with what a journalist called "the glacial geniality of a headmaster receiving his assistants on the first day of a new term," his ignorance of the realities of the

opean situation (even of European geography: he ught that Prague was in Poland, Sarajevo in Serbia that the inhabitants of the South Tyrol were Italian ace), his slowness of mind and contempt of compromise de it unlikely that anything would ever be settled while was in command of the situation. The necessity for king some settlement quickly became more obvious ry day. Armed forces were establishing new frontiers de o in Central and in Eastern Europe, and not less than nty-three little wars were being waged in various parts he world. An epidemic of influenza was spreading over ry country, striking down millions of men, women and dren whose power to resist disease had been weakened the privations of the war years. Famine was killing ndreds of thousands in Russia, in Germany, in Austria l in Hungary, where the Allied blockade to keep out d supplies was maintained. And a menace even worse n war, pestilence and famine was threatening from the st; it was likely that Europe would be swamped by shevism if peace that would establish democratic vernment were not made quickly. No one in Paris in se days knew what Bolshevism meant: they saw it as Red Terror, a mania for destruction which had consed Russia, which was battling with the Social Demotic leaders in Germany and which, in that March 1919, s overthrowing democracy by murdering the leaders of new republic of Hungary.

emenceau's Peace. Speed, then, was the first necessity. mehow Wilson must be jockeyed out of the controlling sition in the Conference. While he was away somebody probably Lloyd George—proposed and carried a reform procedure. The Council of Ten was too unwieldy, the preme deliberative body must be smaller—a Council of ur: Wilson, Lloyd George, Clemenceau and Orlando,

The blockade of Germany was partially lifted when General Plumer used to enforce the order forbidding the men of the Army of Occupant to share their rations with starving civilians.

the Italian. When Wilson returned it was to be shut up secret conference, without advisers or experts, with Lloy George, who was tied by secret treaties to the partition territory among the Allies; Orlando, who was interested nothing but getting the Adriatic for Italy; and Cleme ceau, whose only article of faith was that Germany cou never be trusted and must consequently be crushed, crushe beyond possibility of revival. In this four-handed gan Clemenceau held the trumps. He alone understood bo French and English (Wilson and Lloyd George spoke 1 French, Orlando no English); he alone knew exactly wh he wanted. He had a hold over Lloyd George, who ha promised the English electors to Make Germany Pay ar must therefore acquiesce in Clemenceau's insistence reparations. And he had a hold over Wilson. Had he n agreed to Wilson's Covenant? Had he not snubbed For for suggesting an Allied march through Germany agair the Russian Bolsheviks? Had he not accepted Wilson's ve on the French proposal of a buffer State to be carved o of the German Rhineland? Was Wilson not therefore und an obligation to do something for Clemenceau? There w one other point: Clemenceau knew that the America Congress would not support the League unless a clause w inserted into the Covenant ratifying the American Monr Doctrine, by which American interference in Europe: affairs or European interference in America was barre If Wilson would agree to the punishment of German Clemenceau would grant him that clause.

Wilson was in a terrible dilemma. Lloyd George seem to be on his side now and was advising him to resist Clemc ceau: in a Memorandum of March 25 Lloyd George prosed a Wilsonian peace including general disarmamenthe preservation of the Magyar State intact, the admission of Germany to the League and a peace which Germa could accept as fair. But Clemenceau was adamant, Wilsonial that without the Monroe Clause America wou refuse to join the League, and the League would be had impotent and his own life's work go for nothing; he waver

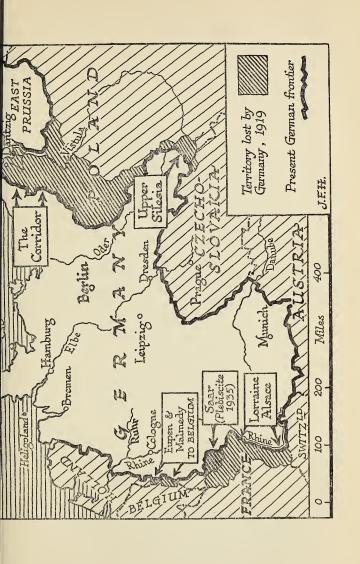
went ill—a victim of the 'flu epidemic. When he well enough to work again his power of resistance was ken: he accepted Clemenceau's offer of the Monroe use ("Nothing in this Covenant shall be deemed to ct the validity of international engagements, such as aties of arbitration or regional understandings like the moroe Doctrine, for securing the maintenance of peace"). return he signed the death-warrant that Clemenceau prepared for Germany.

Meanwhile no word of all this had leaked rsailles. in Germany. When the German plenipotentiaries were nmoned to Versailles in May they had no idea of the ture of the Peace that was to be presented to them. Their der, Count Brockdorff-Rantzau, an aristocrat whose nocratic principles and wide culture had brought him rurally to the post of Foreign Minister in the newly ublican Germany, half expected that the treaty would in the form of proposals which the Central Powers would invited to discuss with the Allies at a General Congress. is indeed was the understanding on which the experts o had drafted the treaty had worked: they had drawn a preliminary treaty containing their maximum dends, expecting that the Germans would be allowed to laborate in arranging the final treaty. But at the last ment it had been decided that there was to be no gotiation with Germany; the treaty was to be imposed on her in the form of a final ultimatum.

On May 7 the German delegates realized this. They re brought before their victors in the Trianon Palace like soners in the dock. Clemenceau made a short, terrible each, fixing the sole guilt of the war upon Germany. ockdorff-Rantzau replied with dignity: "... The ndreds of thousands of non-combatants who have rished since November 11 by reason of the blockade re killed with cold deliberation after our adversaries had aquered and victory had been assured to them. Think of s when you speak of guilt and punishment." His speech

was taken as an impertinence. The white-bound be containing the four hundred odd clauses of the Treaty Versailles was handed to him and the Germans filed of the hall.

At last Germany learned the terms of the treaty. It w worse than anyone had dared to fear. It could be summ up, as Brockdorff-Rantzau said, in one phrase: "L'Al magne renonce à son existence." Germany was to lose or eighth of her land in Europe and one-tenth of her Europe subjects; not only was Alsace-Lorraine to go to France but France was to have the Saar coalfield "in full and abs lute possession, with exclusive rights of exploitation" at least fifteen years; Poland was to have Posen and Wo Prussia-a corridor 260 miles long and 80 miles wid Czechoslovakia was to have a fraction of Upper Siles and the rest was to go to Poland; Eupen-Malmédy was decide by vote whether it would be German or Belgian Dantzig and Memel-land were not even allowed a plebisc —they were to be under an Allied Commission. Germa was to be economically ruined: she was an industrial nation depending for subsistence upon her mineral resources as on her foreign and colonial trade. By the treaty she was be deprived of most of her coal and iron by the loss Alsace-Lorraine, the Saar and Upper Silesia; she was lose all her colonies and concessions abroad; she was lose her merchant fleet; she was to lose control of her ov navigable rivers which were put under an Internation Commission; she was to be left with no means of se defence except an army limited to 100,000 men and na limited to 15,000. With the few economic resources left her she was to pay an unspecified sum to the Allies by w of Reparation; by May 1921 she was to pay £1,000 million the total to be determined later by a Reparations Cor mittee of Allies, which was to be independent of the Leagn of Nations. As a guarantee for the execution of these terr "the German territory situated to the west of the Rhin together with the bridgeheads, will be occupied by Allie and Associated troops for a period of fifteen years." Final



Germany was to saddle herself for ever with the sole gufor the war: by Article 231 "The Allied and Associate Governments affirm and Germany accepts the responbility of Germany and her allies for causing all the loss ardamage to which the Allied and Associated Governmenand their nationals have been subjected as a consequenof the war imposed upon them by the aggression of German and her allies."

The Germans were struck dumb by the news of the treaty. They had been promised Wilson's Points as the terms of peace." Where were Wilson's Points? Whe were the Allies' promises? Frenziedly in the few weeks their disposition the Government drew up a long note protest and presented it at Versailles in a last hope that the Allies would relent. But Wilson had given his word—the treaty must stand now; later perhaps the League . . . the League. Lloyd George persuaded his colleagues to give way on one or two points: there should be a plebiscite Upper Silesia; the Saar should be under the League instead of under France, until 1935, when there should I a plebiscite in the Saar. The amendments were written in the margin of the treaty-book in red ink and the book w handed back to Brockdorff-Rantzau. In five days' time Germany must give her consent.

There was one loophole. Brockdorff-Rantzau rushe to Weimar and implored his Government to play for time "If we can hold out for two or three months, our enemial will be at loggerheads over the division of the spoils are we shall get better terms." For a moment the German Ministers wavered; but Matthias Erzberger had seen Foch's expression in that train at Compiègne when the Armistice was signed and he knew the extent of French ruthlessness; he persuaded the others to sign. German signed, on June 28, the fifth anniversary of the Sarajev murder which had been the signal for war and in that Ha of Mirrors at Versailles where Bismarck had laid the foundations of the German Empire in 1871.

The best that can be said for the Treaty of Versailles

it was the treaty that the masses in England and France ted. The readers of the Northcliffe Press (*The Times*, *Daily Mail* and the rest) wanted a vindictive peace and bed to win the election of a vindictive House of Comns. The French public wanted a vindictive peace and a blamed the octogenarian Clemenceau for being too ent. They got the peace they deserved. It must also be that the treaties with Austria and with Hungary were better than the Treaty of Versailles.

e Treaty with Austria. The treaty with Austria preted every kind of difficulty. In drafting it the Conference ceeded at first upon the Wilsonian principle of selfermination for subject peoples: "The peoples of stria-Hungary . . . to be accorded the freest opportunity autonomous development." That meant that the ples who had declared their independence of Vienna at time of the Armistice were to be recognized as indedent nations—the Republic of Hungary, the Republic Czechoslovakia, the Kingdom of the Serbs, Croats and venes. It most emphatically did not mean that those new ions were to include territories the inhabitants of which re Austrian by race. But Wilson himself began the dismberment of Austria when he promised Italy the Tyrol th of the Brenner. There were a quarter of a million rman-speaking Austrians in South Tyrol. Further dismberment followed naturally enough. Austrian Galicia nt to Poland, the industrial district of Teschen went rtly to Poland, partly to Czechoslovakia-altogether echoslovakia was given 3,000,000 German-speaking strians; rather more reasonably, Rumania and Yugovia were awarded sections of once-Austrian territory. I that was left to the Republic of Austria was Vienna and erritory on the Danube equal in all to one quarter of the ea and population of the Austrian half of the old Dual onarchy. The only hope of an economic future for such a amp was union with the German Republic. By the inciple of self-determination which had been the moral justification for the decimation of Austria-Hungary, the Germans of Austria should have been allowed to join the Germans of Germany; but this hope was quashed by the Allies in a clause of the treaty which for its felicity phrasing deserves to be quoted: Austria "will abstain frow any act which might directly or indirectly or by any mean whatever compromise her independence." Austria significantly of St. Germain-en-Laye on September 11, 191

The Treaty with Hungary. By the time the treaty wi Hungary was signed (at the Grand Trianon Palace June 4, 1920) the peacemakers had abandoned all co siderations of principle. Pre-war Hungary had been on 54 per cent Magyar in population: the peacemakers set o to make it a purely Magyar State, but they did so by putting no less than a third (3,300,000) of the Magyars und foreign rule. Hungary was partitioned and a share of its lai given to every neighbouring State. Magyars along the northern frontier were handed over to Czechoslovakia, the eastern frontier to Rumania. To Rumania also we Transylvania with its Magyar enclaves and to Yugoslav went Fiume (Hungary's one outlet to the sea), Croati Slavonia and part of the Banat of Temesvar, lands including the Magyar population of the Tisa Valley. Thus Hunga was reduced from 125,000 square miles to 35,000, fro 21 million inhabitants to 8 million. She became a small lan locked republic, deprived of her industrial resources including four-fifths of her iron ore—and confined agriculture and the export of cereals and sugar for h future livelihood. The Allies showed no intention allowing the Hungarians control of their own affairs in the future, for in a note of February 2, 1920, they announce that "they cannot admit that the restoration of the Habsburg Dynasty can be considered merely as a matt interesting the Hungarian nation, and hereby declare th such a restoration would be at variance with the who basis of the Peace Settlement, and would be neither reco nized nor tolerated by them."

League, a Pious Hope. The terms of the treaties e sordid reading. It is probable that the delegates of the European Powers at the Conference never read them. Versailles Treaty was drawn up by Lloyd George and nenceau; it was not presented to the Plenary Connce until one day before it was presented to the mans. Wilson himself signed the German treaty dly and left Paris before the treaties with Austria and gary were completed. He knew that he was abandoning Points, his Principles, his Particulars—only four of the nty-three stipulations were embodied in the settlement it he considered that the main thing had been won: League of Nations had been established; that alone e the war seem worth fighting and the peace worth ing. The Covenant of the League of Nations had been ten down as the first twenty-six articles of each treaty. wed in the light of that Covenant the disarmament and remberment of the Central Powers became not a peration of the war-spirit but a preliminary to a lasting e. Germany's disarmament would be followed by a ral disarmament: "The members of the League gnize," by Article 8 of the Covenant, "that the mainnce of peace requires the reduction of national armats to the lowest point consistent with national safety and enforcement by common action of international oblions." The treaties themselves would be modified as as "it became apparent that their terms did not make eace." "The Assembly may from time to time advise," er Article 19, "the reconsideration by Members of the rue of treaties which have become inapplicable and consideration of international conditions whose conance might endanger the peace of the world."

wo distinct settlements were outlined in the treaties in up by the Paris Conference: an immediate settlet to be achieved by the punishment of the Central crs and an ultimate settlement to be achieved by national co-operation on the lines laid down by the enant of the League. Just how long it would take for

the immediate settlement to give way to the ultime would depend upon public opinion. President Wilss fondly believed that public opinion in the Western demeracies at least was ready to forget the past and to operate for the good of mankind. No man ever made bigger mistake. In November the American Congreson refused to ratify the Versailles Treaty. The one national that was in a position to make the League an immediate reality refused to sign the Covenant. Europe was throback on the Versailles spirit and the punishment of Central Powers in an attempt to achieve security. And rest of the world was left to work out its salvation on lines it had been following before the interruption of World War.

PUNISHING THE CONQUERED, 1918-23

IE TRANSITION to peace was slow and fearful. In n of the defeated nations the four years of imperialist war e followed by some four years of revolution, or nationalclass-war. The Russian Empire was the first to collapse; working-class revolution was successful and Communist nmissars took the place of the Tsar in 1917, and from 8 to 1920 the new structure of Russian society was nmered out on the anvil of civil war. The Ottoman pire collapsed and the Turkish revolutionaries had to stand an Allied offensive; it was 1923 before the es made peace with the Nationalist Republic of Turkey. German Empire and the Austro-Hungarian Empire apsed in the weeks before the Armistice; for a time it ned as if a working-class revolution would establish nmunism, or at least Socialism, in Berlin, Vienna and apest, but Allied pressure in those cities was so strong only a régime acceptable by the Allies could survive. emained to be seen whether a foundation for the future ce and prosperity of Europe could be made out of the Hungary, the new Austria, the new Germany which Allies had helped to create.

olutions in Hungary. No nation in modern times gone through such agony as Hungary experienced been 1918 and 1922. Defeat by the Allies, though it was hing and humiliating, was infinitely less bitter than at by the subject races, by the Czechs of Bohemia, by Serbs, the Croats and the Slovenes whom the Magyars Jungary and the Germans of Austria had ruled for so

long under the flag of the Dual Monarchy. The Hungaria decided to throw themselves on the mercy of the Allie They drove away the Habsburg King Karl, they murdere the Prime Minister, Count Tisza, they repudiated everyowho had been associated with the policy of war. As Cour Tisza's successor they chose Michael Karolyi, a pacific There was nothing attractive about the hare-lipped Karoly but as a pacifist he personified the attitude of the country the Hungarians were staking everything upon making complete submission to the Allies; they disarmed ar waited for the Allies' judgement.

It was a long time in coming. December passed as January, and still there was no news from Paris. Into starving, freezing Budapest refugees crowded-no less that seven hundred thousand of them—bringing terrible stori of Transylvanian villages burned by Rumanians who we storming through the mountain passes, of the Banat pillage by Serbs, of cities in the north looted, Pressburg and Kas looted by Czechs. Huddled in the fuelless capital the Hu garians waited throughout the long winter to hear the terr of peace, waited for the reward of their capitulation. March 20 the tension was broken; the treaty was not y drawn up but the new frontiers had been settled. Over thr million Magyars were to be lost to Hungary and to thrown on the mercy of those very Rumanians, Serbs as Czechs who were at that moment ransacking and ravagi their country.

Pacifism had not availed. Perhaps the opposite coumight save Hungary. Karolyi played his last card; he signed, and before he resigned he let out of prison a you Jew called Bela Kun (or Kohn) who had been arrested a Communist leader. There were comparatively few Comunists in Hungary, but Kun stood for resistance, K stood for revival, Kun stood for the resurrection of Hungar With the coming of the warm spring weather Hungar threw off her despair and fell into line behind the red flat At the end of March Bela Kun declared Hungary to be Soviet Republic. His weapons were those unplease

comitants of every minority government—revolutionary unals, political executions, a strict censorship and a tary police. But his achievements in the direction of a onal awakening and the revitalization of classes which been persecuted for generations must be the admiration istorians of every shade of political opinion. He nationalthe land; he devised a system of education to teach ple to read and write. The State made itself responsible he health of the proletariat, providing insurance against ness and accident, setting up free baths and hospitals giving a guarantee of maintenance to willing workers failed to find employment. In June the Soviet Contion of Hungary was published. The units of local ernment were to be the Soviets of town quarters and of villages; the Soviets sent delegates to the City and inty Soviets, who in turn sent delegates to the Central igress. Full liberty was allowed to racial minorities and religious organization was interfered with so long as it fined itself to religion. Hungary's Soviet Constitution a perfect embodiment of Bolshevik theory; how nearly fect it would have been found in practice no one can for a month after its prosecution Bela Kun was driven exile.1

t was not to be expected that the Allied Powers would with favour on the Communist experiment in Hungary. the end of July they loosed the Rumanian Army on lapest and for three and a half months kept it there, rdering and destroying and piling up the transportable lith of the city in trains bound for Bucharest. When at the Rumanians, acting on orders from Paris, left the

, Hungary had learned her lesson.

rom now on reaction was the order of the day. An miral Horthy who had commanded the Austrian fleet ing the war rode into the capital and proclaimed him-Regent for the absent King. The crippling Treaty of

Here and in one or two other passages in Part I the author has vn on his book *Europe Since the War*; it is better to plagiarize than araphrase oneself.

Trianon was signed in June 1920 and the humiliated Mayars having nowhere else to vent their rage vented it of the Jews. Bela Kun, the arch-Communist, was a Jew, ther fore all Jews were Communists. Once again there was Reign of Terror; there had been an Allied Terror, a ReTerror, a Rumanian Terror, now there was a White Terror and this last in which the Jews of Hungary perished we the most cold-blooded and merciless of all.

At last, purged by fire, Hungary was admitted by the Allies to the League of Nations. Horthy was not the ma the Allies would have chosen but he was a bulwark again Communism and his monarchist ambitions were ea enough to check: twice in 1921 King Karl returned Budapest and twice the Czechs and Yugoslavs mobiliz on the frontiers and he was forced to flee the country. I died in exile in 1922, leaving a ten-year-old boy, Otto, his heir. Horthy and the Prime Minister, Bethlen, established the feudal régime of pre-war Hungary, abolis ing universal suffrage and secret ballot and restori the great estates so that 40 per cent of the land w held in estates of over 1,400 acres and 75 per cent the peasants were landless. To this régime the League Nations granted a loan and assistance in the work of fine cial reconstruction.

The Plight of Austria. The Allies' intentions with regato Hungary were clear enough: she was to be a small agcultural country, powerless and poor, providing the n States which surrounded her with cereals in return for proportion of their surplus manufactured goods. Wregard to Austria the Allies' intentions were less cle Austria too was to be a small country, powerless and po But she could not be expected to feed the two and a million inhabitants of Vienna from the mountain and for lands which were left to her, and Vienna could not man facture goods to sell in exchange for food because her nei bours would not allow the necessary raw materials to into Vienna or the finished articles to go out. There

ing for Vienna but starvation. In the winter of 1919–20

he Allies were deeply touched. The American relief inistration set up a soup-kitchen in the old Habsburg ce; the British Parliament voted a large sum for trian relief. They were touched by the plight of the which had so lately been the most civilized in Europe, they did not modify the treaty which was starving her. trians realized that there was no future for them in the mated republic. Yet they were barred from joining their sins in the German republic. Three of the nine Austrian vinces tried to evade the ban: in 1921 Tyrol, Salzburg Styria voted for union with Germany, only to be bbed by the Allies. There remained the possibility of ian protection—it was not attractive, there was a deep al and historical antagonism between Austrians and ians, but it seemed the only solution. Dr. Seipel, the holic priest who was now Austria's Foreign Minister, posed a currency and customs union with Italy which ald make Austria an Italian protectorate. But neither nce nor Yugoslavia nor Czechoslovakia were anxious to Italy extending her frontiers into Central Europe. y way of emphasizing her isolation the name of the new ublic was changed from German-Austria to Austria by ed decree. The Austrians must learn what defeat meant.

ed decree. The Austrians must learn what defeat meant. ven by reducing rations to the bare minimum necessary existence, and assuming that the farmers would give up rations every ounce of surplus, Austria could only hope feed herself for a few months in the year. Meanwhile of some of the poorest resources in Europe, there was te the most expensive machinery to keep up. A bureaucy disproportionately large for the needs of twenty-five lion people now administered the affairs of six millions, whom they themselves formed no mean proportion. Big way termini with great staffs of clerks opened on to mps of lines thirty or forty miles long. . . . Much of the idle-class population of Vienna was in a very similar ition: a head without a body. There were doctors

enough to cure, professors enough to make wise half Centr Europe, while inexorable Governments barricaded off fro them the people who, God knows, needed both healing ar wisdom sorely enough."¹

In October 1922 the Allies relented a little. In return f an additional guarantee that Austria would do nothin to surrender or impair her sovereign independence the granted her an initial loan of £27 million and sent Commissioner-General, the Dutch Dr. Zimmerman, supervise the State revenues out of which the loan we eventually to be repaid. By this method of artificial respir tion the Austrian body-politic was to be kept alive for the next few years.

The German Revolution. The transition of Germany peace was infinitely more important. On the future Germany, which before the war had been the most poweful, the most progressive, the most highly organized nation the continent of Europe, the future of the world large depended.

The war was brought to an end by the soldiers, saile and workers of Germany who in the fortnight before t Armistice overthrew their ruling caste of monarchists as officers. The revolution began on October 30 with a muti of the sailors of the Wilhelmshaven fleet. Quickly the rev spread to Kiel, Hamburg and Bremen and to the Bal coast; in each port the red flag was flown and soldie sailors and workers took power into the hands of their ov Räte (which we should translate as Councils or Soviet The revolt against war was echoed at the other end of G many where Kurt Eisner emerged as the leader of a Social Republic of Bavaria on November 9. That same day t revolution broke out in Berlin. Prince Max of Baden, t Liberal Chancellor, persuaded the Kaiser to abdicate a himself resigned in favour of Ebert, the head of the Social Party. The revolution in Berlin was almost bloodless; or fifteen men were killed during the whole day and at

¹ C. A. Macartney, The Social Revolution in Austria.

ce of those fifteen lives fell the dynasty which had ruled ussia for five centuries and which had gradually welded rmany into a united nation. Its fall was followed by the of the twenty subordinate monarchies of the German tes. Germany was now a republic under Ebert, the saddler of Heidelberg.

But what was a Republican Germany to mean? The cialists were divided on that point. The Right or moder-wing of the Social Democratic Party, to which Ebert longed, wanted a parliamentary democracy based on the tes of the whole community. The Independent Social emocratic Party wanted a Soviet republic based on the rect rule of the working class. The extremists led by Karlebknecht, whose nom de plume of Spartacus became the rty-name of his followers, wanted a Soviet Republic too, it he and his Spartacists wanted to realize it at once; cy wanted to seize power violently, to dispossess the pitalists and to establish a working-class dictatorship.

So the fall of the monarchy and the end of the imperialist ar was followed by a civil war between the Majority cialists and the Communists (the minority group soon ased to count). It was a battle between the short view and e long view. Ebert and his followers were thinking of the amediate future; they wanted to hold a general election r a National Assembly which would draw up a new onstitution and receive the Allies' terms in the name of the ajority of the German people. They thought that a emocratic Germany would receive lenient treatment at e hands of the democratic Allies. Liebknecht and the ommunists were thinking of the more distant future. The ar, in their view, had been caused by competition between pitalist nations; private capitalists were irresponsible, ney were working primarily for profit and to increase their rofit had to find markets abroad—their competition for plonies and markets had caused the war of 1914 and it ould cause another war in the future if private individuals ere left in control of the resources of capital. Therefore ne private capitalist must be overthrown in Germany. In

the chaos and bewilderment of 1918 the German people could not be expected to see that, and so there must be no immediate appeal to the German people, no general election. The Communists must seize power.

They made their first attempt on January 6, 1919. Spartacus captured the newspaper offices and a few public buildings in Berlin. But the Social Democrats were able to turn out a remnant of the Imperial Army against them. They were forced to abandon their positions and the rising was followed by a fortnight of terror in Berlin. Karl Liebknecht and Rosa Luxemburg, the heroic woman who was the greatest personal force behind German Communism, were captured and brutally murdered by police on their way to prison. (The official report of their death was "shot while trying to escape.")

At the end of January the elections for the National Assembly were duly held. Germany voted for the Moderate Socialists and the bourgeois parties of Liberal Democrats and Catholics (or Centre Party). It was a moderate and democratic assembly which met at Weimar in February to

draft the Constitution of the new Germany.

The Weimar Constitution. The difficulties of the Weimar Assembly were appalling. Communism had been outlawed but by no means crushed; the industrial workers had no intention of accepting a parliamentary republic as Utopia, they had not given up the idea of Soviets. In March there were strikes followed by street fighting in Berlin, strikes in Bremen, a revolt in Halle with the object of marching on Weimar, a revolt in Brunswick. In Munich where Kurt Eisner, the most humane, talented and popular of Minority Social Democrats, had been assassinated in February, a more serious revolt took place and a Soviel Republic of Bavaria was proclaimed. In April there were strikes in Essen and the Ruhr—the greatest industrial areas left to Germany. The Government, or rather Noske, who proved himself an organizer of unequalled ruthlessness and efficiency, broke the strikes by refusing to admit supplied

intil work was resumed, suppressed the revolts and wiped out the Bavarian Soviet with his famous Flying Column. The Republican Government restored order, at the price of he lives of hundreds of workers.

There was starvation as well as anarchy in Germany in hose days. The population were living on bread and otatoes—five pounds a week was the adult ration. There was a dearth of every kind of fat, a dearth prolonged by the Allies' blockade. When the Poles occupied Posen the sugar upply failed. Seven hundred thousand deaths in the year ollowing the Armistice were put down (by a Copenhagen Commission which had no cause to exaggerate) to undertourishment. The death-rate for children between four and ourteen was doubled in the year 1918.

To crown all these difficulties came the news of the Allies' terms in May. The Government signed, knowing that Brockdorff-Rantzau was right when he said, "Those who sign this treaty will sign the death-sentence of many millions of German men, women and children."

It is a wonder that any Constitution at all could have emerged from the chaos of these months. One might have expected that nothing but a dictatorship would have been thought fit to weather the storms to come. Yet the Weimar Assembly showed in this crisis a respect for democratic principles such as traditional democratic countries like France, Great Britain and the United States might have envied. The Constitution which they completed in July abolished the militarist autocracy which Bismarck and Wilhelm II had set up. Germany became a parliamentary democracy with a Reichstag elected by the votes of the whole adult population, male and female, with a Chancellor and Cabinet dependent on the support of a majority in the Reichstag, with an elected President who was to be little more than a figurehead in normal times though in times of national danger he was empowered to declare a state of emergency and to govern by decree. The Reichstag was not the only House of Parliament; there was to be a Reichrat which like the American Senate was to represent the various

States and which like the British House of Lords would act as a brake on precipitate legislation by the other house.

The Weimar Constitution was the most democratic that the world had seen. To give the vote of every individual its full weight the principle of proportional representation was introduced by which a member was returned to the *Reichstag* for every 60,000 votes recorded, instead of a member for every constituency irrespective of the extent of his majority as in England and America. To give economic interests an opportunity for adequate expression, a National Economic Council was set up representing employers and employees of the great economic groups and corporations, with the function of advising Parliament on economic and social legislation. The Constitution affirmed the political equality of men and women and the completest liberty of worship, of speech, of Press and of association.

The Weimar Constitution became law in August 1919.

It was anathema to every section of extremists in Germany. The Communists would have overthrown the Republic but their driving-force was gone now Liebknecht was dead. The monarchists actually did succeed in driving Ebert's Government from Berlin. On March 12, 1920, the Commander-in-Chief of Berlin, General Baron von Lüttwitz, occupied the city with 8,000 troops and proclaimed a certain Wolfgang von Kapp to be President of the Republic. Ebert had virtually no troops at his disposal; the Kapp putsch must have succeeded if the workers of Berlin had not taken the law into their own hands. Without waiting for orders from their union leaders, they went on strike. The life of Berlin came suddenly to a standstill. There was no water, no light, no trams, no trains. Kapp and his followers were stranded; he fled to Sweden and the putsch was over.

How this great experiment would have worked if the Versailles Treaty had indeed made the world safe for democracy no one can say. In fact the treaty meant the continuation of war in the form of economic persecution.

The workers had saved the Weimar Republic and its

liberal Constitution.

Only the marvellous stamina of the German people could ave succeeded in working that Constitution for a decade nd more in spite of Versailles.

The Plebiscites. The treaty was applied with the utmost igour. Germany was cheated of Eupen-Malmédy by a faked lebiscite: instead of a free vote by secret ballot the habitants were told that they were entitled to sign a public rotest affirming their wish to count as Germans. Every ressure was brought to bear on them: "whoever registers is name in those lists proclaims himself to be a mischievous nd undesirable person," announced the Brussels Soir. Only 271 out of a population of 60,000 signed. Eupen-Jalmédy was awarded to Belgium.

Germany was also cheated out of Memel-land. An Allied Commission had been put in charge of the district, but when Lithuanian force overran it the Allies calmly recognized he fait accompli and conferred the sovereignty of Memeland upon Lithuania. But Eupen-Malmédy and Memeland were trifles; the important point was what interpretation the Allies intended to put upon the Silesian plebiscite

nd upon their claim to Reparations.

The Upper Silesian plebiscite was held in March 1921, argely under the auspices of Frenchmen. The returns howed that 40 per cent of the voters wanted to be under oland, 60 per cent under Germany. In the partition based n these votes Poland was given a third of the land. This vould have been fair enough if the Polish land had not ncluded at least five-sixths of the industrial area. There vas nothing to be said for the partition except that it leprived Germany of her next-to-last great mining district. The inhabitants suffered more than inconvenience. "As verywhere else the [Silesian] annexations threw the entire ife of a large region altogether out of gear. The new rontier dissected nine railways, creating many dead-ends and large stretches of disused line, which had to be scrapped, nd depriving many districts of this means of communicaion. It split up a time-honoured system of roads, a large proportion of which have since been converted into blind alleys, now deserted and overgrown by grass and weeds. Farms have been divided wholesale, the buildings being left in one country and the land in another. . . . The old reciprocal dealings between adjacent communities on the frontier have been made difficult, all exchange of farm products and commodities generally is subject to harassing restrictions; trades and handicrafts by the dozen have been destroyed and scores of prosperous business undertakings have been ruined, while the purchasing-power of the peasantry in general is said to have been decreased by a third."

Reparations. The German Government had said that they could hope to pay Reparations only if they were left with the Silesian coal-field. The French were not so sure. True, they had taken Lorraine and the Saar away from Germany but the Germans still held the Ruhr and since 1918 German industrialists had built up huge industrial concerns combining the resources of the Ruhr and Westphalia. Hugo Stinnes, who had served his apprenticeship as a pit-boy and a stoker, had built up a great "vertical trust" combining every process of industry from coal and steel to the finished products; he was employing 250,000 men and was a serious rival to the French ironmasters of the Comité des Forges. Walther Rathenau—personally a complete contrast to Stinnes, for he was a man of the widest culture and deepest philosophical insight—had completed a huge combine, the Allgemeine Elecktricitäts Gesellschaft, which was the greatest electrical concern in the world. France was frightened of a German industrial revival which might make German re-armament possible and was determined to use the weapon she possessed in her claim to Reparations.

It must be admitted that France had cause for uneasiness. Her original demand at the Paris Conference had been an "independent" Rhineland State that should include the

¹ W. H. Dawson in Germany Under the Treaty.

tuhr and be under French control. She had only abanoned this claim in exchange for the promise of an American and British guarantee to defend the Rhine frontier in case German aggression. But the United States Congress had fused to ratify this promise and Great Britain had held that thout the United States she could not join in the guaranee. So France fell back on her claim to Reparations and determined to demand so huge a sum that Germany would be bound to default and so provide France with a "moral" aim to interfere in the Ruhr.

At Versailles the total amount to be paid by Germany was ot fixed. Later Conferences at San Remo and Spa also iled to determine the sum, though it was decided that rance's share should be 52 per cent of the total. Not ntil May 1921, in London, was the amount fixed—at 6,600,000,000. It was an impossible figure; even in 1918 then Anti-German feeling was running highest the British reasury had agreed that £,2,000,000,000 was the utmost hat Germany could pay. The German leaders were in a uandary. Stinnes was for refusing outright and for letting he Allies do their worst, Rathenau was for accepting; he as statesman enough to see that only by making an honest ttempt to fulfil the obligations imposed upon her could Fermany hope to break down the Allies' animosity and to e re-adopted into the comity of nations. Luckily for the eace of Europe Rathenau's view prevailed. Germany gned the agreement, and punctually on August 31, 1921, aid an instalment of Reparations.

The time seemed ripe for men of business to devise a lan by which Germany could continue to pay without urther crippling her own industries—the goose which laid he golden eggs. In October, Rathenau and the French linister of Reconstruction, Loucheur, came to an undertanding by which the devastated areas of France and belgium were to be restored by German labour and naterials at the expense of the German Government. It was a reasonable plan but the French Cabinet turned it lown; they had promised the restoration business to

French contractors. The reactionary and implacable Poincaré became Prime Minister of France and threatened to force an immediate payment of Reparations.

At this point it became obvious that a financial collapse was imminent in Germany. The strain of the war, the loss of so many assets under the Versailles Treaty, the drain of wealth to meet the Reparations account, the general uncertainty which encouraged Germans to send their spare money out of the country, had led to a drop in the value of the mark. At first this fall had helped industrialists and financiers who gambled on the foreign exchange, but now it was getting out of hand. The German Government asked for three years' moratorium, three years' grace while they put their house in order. Lloyd George was inclined to grant it—England's interests lay in keeping the avenues of German trade open-but Poincaré was inflexible; he regarded, or pretended to regard, the fall of the mark as a German conspiracy to wriggle out of Reparations.

The Invasion of the Ruhr. Making the excuse that Germany was late with deliveries of coal and iron, Poincaré ordered a French Army to take possession of the Ruhr on January 11, 1923. The Ruhr was declared in a state of siege and all German officials were replaced by Frenchmen and Belgians. Poincaré was determined to create the willto-pay by force. What he created was precisely the opposite —the will-to-resist. The German Government abandoned Rathenau's policy of fulfilment (that man of vision had been assassinated in 1922) and encouraged the Ruhr miners to refuse to yield a single ton to France. One million men were idle in the Ruhr, living on scraps of strike pay from Berlin. The French tightened the screw; they imprisoned all the directors they could lay hands on, shot seventysix Germans in street brawls, encouraged their Zouave and Senegalese troops in breaches of discipline at the expense of the inhabitants, instigated and financed a separatist movement all over the Rhineland.

Meanwhile the confusion in Germany was indescribable.

he Ruhr invasion completed the collapse of the currency; March 1922 a dollar was worth 670 marks and in August 500 marks, but by August 1923 it had reached an astroomic figure. A few Germans made a good profit (farmers, or instance, were able to pay off mortgages with worthless harks) but the vast majority were ruined. Pensioners, ntiers and investors, everybody living on savings or inurance money, found their income valueless and themselves n penury; salaried workers found their salaries reduced next to nothing; labourers on weekly wages had to rush spend every pfennig the instant they got their pay enclopes, because next morning prices might be twice as high. In the autumn crisis came. The British Foreign Minister, ord Curzon, attacked the selfishness of French action in a trongly worded despatch. The French public began to vithdraw their support from Poincaré; his policy was bsing them good money as well as the goodwill of the Illies in particular and of the world in general. In Germany new Minister, Stresemann, became Chancellor. Stresenann was a convert to the Rathenau policy of fulfilment; calizing that at last he could count on foreign help for the evival of Germany, he called an end to passive resistance nd sent the Ruhr workers back to their mines and facpries. Then his Finance Minister and Dr. Schacht, the ead of the Reichsbank, set about the stabilization of the urrency: they issued a new mark, the Rentenmark, cured on the land and the houses of Germany; and radually the German people showed their confidence in ne new currency. It meant the loss of all the money they ossessed, for a billion of the old marks was worth only ne Rentenmark. (There were no savings left now to divide he middle class from the proletariat—the inflation and the kentenmark wiped out the rentier class more surely than any communist revolution.) But anything was better than the ncertainty and the persecution of the years 1919-23. t the price of repudiating Germany's debt to Germans tresemann convinced the Allies that the Government was cady to honour her debt to foreigners.

III: RECONSTRUCTION IN CENTRAL EUROPE, 1924-29

A NEW CHAPTER in European history began in 1924. From 1918 to 1923 the Allies had pursued a vindictive policy against the Central Powers. It had availed them nothing. In 1924 they began at last to co-operate with Germany in the reconstruction of Europe.

The Dawes Plan and Locarno. The first step was to put Reparations on a rational basis. Americans had long ago realized that the policy of "making Germany pay" was ruinous to Germany's creditors as well as to Germans. The expense of the Ruhr invasion and the collapse of the German currency convinced the Allied Powers of this. In 1924 a new committee was appointed to decide how Reparations were to be paid. Significantly it was a committee not of politicians but of business men; its chairman was Charles G. Dawes, a Chicago banker. The Dawes Committee made the obvious point that Germany could pay only if her industries were flourishing. She must pay therefore a percentage of her national income every year, in goods and in gold, and to enable her to reconstruct her industries and increase her national income the Allied peoples must lend her capital. In the protocol that was signed on August 31, 1924, it was agreed that Germany should pay 1,000,000,000 gold marks in the first year and increased instalments in future years, rising to the standard annuity of 2,500,000,000 gold marks in 1929 and in subsequent years; the sources for these payments were to be railway bonds, industrial debentures and revenue from German indirect taxes; and a new start was to be given to industry by an immediate foreign loan of o,ooo,ooo gold marks. (These loans were increased untily the end of 1928 they reached the colossal figure of

3,000,000,000 gold marks.)
The next step was to bring Germany back into the mity of nations. Germany had not yet given her willing insent to the Versailles terms, nor was she a member of e League of Nations: while that was the case there could no hope of lasting peace in Europe. The opportunity for new agreement came in 1925: Stresemann-a man of cace if ever there was one—was Germany's Foreign linister; Poincaré had been defeated at the French elecons in the previous year, and Herriot and Briand, men most liberal mind, were in power in France. Stresemann, erhaps on the advice of the British Ambassador, Abernon, proposed a conference, and German and Allied plomats met in friendly discussions which culminated in meeting at Locarno in October. In a way it would be uer to say that the War ended at Locarno in 1925 than at ersailles in 1919. Now at last it was agreed that Germany hould seek admission to the League of Nations. Both sides cognized the Rhine frontier as laid down by the Treaty Versailles, Germany giving up all claims to Alsaceorraine, France abandoning the idea of a Rhineland tate. Most important for the peace of the future, Great ritain guaranteed to help France in the event of German gression on the Rhine, and Germany in the event of rench aggression. France would have liked Great Britain guarantee Germany's eastern frontier as well, but that reat Britain would not do, neither would Germany agree accept the Polish Corridor for all futurity. For the curity of these eastern frontiers the new nations of eastern urope must depend on the support of France; at Locarno ew pacts were made between France and Poland and zechoslovakia.

oland. We must consider now the new States which ad risen from the ashes of the pre-war Empires of Europe. The largest was Poland. After seven hundred years' existence

as a sovereign Power Poland disappeared from the man at the end of the eighteenth century, as the result of a series of piratical partitions on the part of Prussia, Russia. and Austria. Subsequent oppression had not been able to extinguish the Poles' national spirit, nor their language and traditions, nor their desire for independence. During the World War both Germany and Russia promised them independence as the price of their support, and to make certain of their reward groups of Poles fought on either side. The most effective Polish contingent was that led by Joseph Pilsudski against the Russians. Pilsudski was a remarkable man. He was born as long ago as 1867, of a noble Lithuanian family of Vilna, and had spent the years of his early manhood in incessant agitation against Russia. He was a Socialist in those days, and knew the bitterness of five years' confinement in Siberia, of exile in a London slum, and of imprisonment in Warsaw, from which he only escaped by feigning insanity. He was already a national hero when the war broke out which he rightly saw to be Poland's supreme opportunity. He fought valiantly and cleverly for Germany until 1917, when the Russians collapsed and the Germans took possession of Warsaw. Then he refused to fight any more: he had fulfilled his contract, now the Germans must fulfil theirs by establishing an autonomous Polish State. The Germans replied by putting him in prison in Magdeburg. There he would have stayed had not the German Revolution of November 1918 put an end to their imperialist plans. Pilsudski found himself back in Warsaw and acclaimed as Chief of State and Minister of War by a Polish nation in its first rapture of achieved ambition. Tactfully he abstained from going to Versailles, but sent Paderewski, who as a celebrated pianist would be more likely to plead the Polish cause successfully before Allied statesmen who might have a long memory for ex-Socialists and ex-officers of the German army. Paderewski returned with Allied recognition for a Poland with frontiers on the west through Germany to the Baltic, and on the east from Grodno to the upper reaches of the POLAND 53

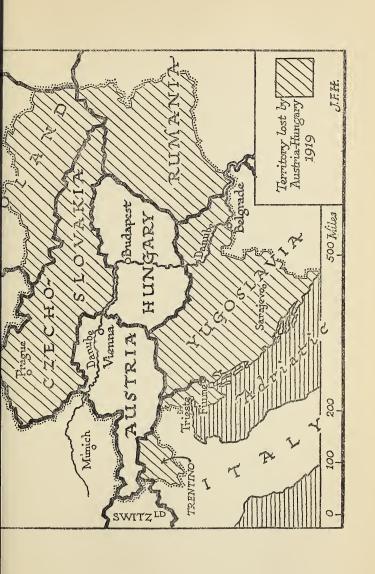
g. This was not enough for Pilsudski. The civil war tween Reds and Whites in Russia was offering an oppornity for revenge which no lifelong enemy of Russia could ist. Pilsudski launched his army into the Ukraine and erran the country as far as Kiev. But in 1920 a Russian unter-offensive began; the Bolsheviks rolled his armies ck and advanced to within six miles of Warsaw. Pilsudski s in despair, but France came to his help with money d with their most brilliant General, Weygand. Pilsudski acked again, the Russians gave way, and in October he ned a triumphant peace by which Russia surrendered arge slice of the Ukraine. Even now Pilsudski was not ntent; he sent an army to capture his native Vilna, ich Paderewski at Versailles had signed away to thuania. The Lithuanians appealed to the League of tions, but the League was no match for a determined dier; Vilna and a big wedge of territory between huania and Russia became part of Poland. So it was at the new Poland became a much larger State than had en contemplated at the Peace Conference. It was far m being a national State, for apart from including the rman population of Posen it contained no less than ren million White Russians and Ukrainians.

To France the new Poland appeared as an invaluable lwark against Russian Communism on one side and ainst German revival on the other. France set to work to m Poland. In the Teschen area Poland had one important lustrial centre; by the award following the Silesian biscite she gained another. A Franco-Polish treaty was ned in 1921, and in 1923 a loan of 300 million gold ncs was made to Poland. The real work of Polish reconuction began in 1924, when France sent Marshal Foch, a complimentary visit, and a further 35 million gold ncs to Warsaw. The money was spent in building a new ltic port, Gdynia, near Dantzig, and the contracts were ren to the French firm of Schneider-Creusot.

Even with this help the Poles did not find it easy to make success of self-government after a century and a half of

irresponsibility. The politicians were jealous of Pilsudski in May 1923 they forced him to resign and muddled along without him, bringing Poland to the verge of bankruptcy, At last, in 1926, Pilsudski, unable to bear the sight of misgovernment any longer, marched on Warsaw, carried out a coup d'état, and re-established himself in power. He had all Cromwell's belief in his own destiny, Cromwell's intolerance of opposition, combined with Cromwell's hankering after parliamentary forms and reluctance to assume the title of King. France and Poland too-though it cost her half her budget—had to thank him for keeping the peace strength of the army up to a quarter of a million. The Ukrainians suffered. In spite of Pilsudski's promise to the Allies in 1923 to grant them autonomy they were ruled, the whole six million of them, by Polish officials and police, and they were deprived of their schools (there were 2,420 Ukrainian schools in Galicia in 1912, in 1928 there were only 745). Yet it must be admitted that they could not have expected better treatment from any other Polish Government. Assuredly it was the spirit of Clemenceau rather than the spirit of Wilson that triumphed in the new Poland.

Another link in the chain that bound Germany, Austria and Hungary on the east was the new State of Czechoslovakia. The national history of the Czechs of Bohemia reaches even farther back into the past than that of the Poles, and the story of their reemergence as a national State is no less romantic, though in quite a different way. The Czechs like the Poles had been agitating for autonomy before 1914, but unlike the Poles they had no doubt which side to join: they fought for the Allies against their Austrian masters. On the collapse of the Austro-Hungarian monarchy in 1918 some Czechs in Prague declared their independence, and at Paris in 1919 the victorious Powers recognized the new Republic. The Czech cause appealed to President Wilson because of the persecution which their race had suffered ever since the sixteenth century when they made the mistake of choosing



a Habsburg for their king, because of the eloquence with which Thomas Masaryk had pleaded their cause in America, and because of the support which Edward Beneš, the young Czech delegate to Paris, gave to the idea of the League of Nations. To Clemenceau it appealed for different reasons. Five-sixths of the industrial resources of Austria-Hungary, and the great Skoda armament works at Pilsen, lay in Bohemia and Moravia: it was advisable therefore to separate those provinces from Austrian control. By adding to them Slovakia and the province of Ruthenia, the Czechoslovakian boundaries would be brought up to Rumania, and a solid ring of Allied territory thus formed round Hungary.

Czechoslovakia has been the most successful of all the new nations that emerged after the war. It was not remarkable for racial unity, for of the total population of fourteen millions only 70 per cent were Czechs and Slovaks: 20 per cent were Germans, and nearly 10 per cent Magyars and Ruthenians (Ukrainians), and these suffered for being in a minority, though not so severely as the minorities of Poland. The strength of Czechoslovakia lay in its economic resources. In agricultural products it was self-sufficient, and in industrial products it was much more than self-sufficient Iron ore it had to import, but for the rest it was one of the greatest industrial Powers in Europe, exporting coal and machinery, textiles and wool-produce, porcelain and glass and shoes—millions and millions of shoes from the town of Zlin, where a self-made magnate called Bat'a out-Heroded Herod in tyranny, and out-Forded Ford in efficiency.

None of the political ineptitude of Poland was to be found among the Czechs. Throughout the post-war period they had only one President, Masaryk, only one Foreign Minister, Benes. These men pursued a policy of quite extraordinary consistency. The first need of Czechoslovakia was the goodwill of her neighbours. As an inland Power with no natural boundaries except on her Polish flank she needed their goodwill for her security. As an exporting Power she needed it for her prosperity. Immediately after the war, hen she had just wrested herself free from the Austrolungarian Monarchy, she could hardly expect the goodill of Hungary. Consequently Benes made an alliance with umania and Yugoslavia. This Little Entente between the hree States who had been granted most of Hungary by he Treaty of Trianon began with the sole aim of keeping Jungary down. In 1921 it prevented a restoration of Karl of Habsburg, and in 1922 it secured the admission of Hungary the League and thereby won her promise not to go to var without first submitting her case to arbitration. The nti-Hungarian raison d'être of the Little Entente was thus argely removed. Benes gave a new twist to the alliance by oining in the League effort to save Austria and Hungary rom bankruptcy; now that their revival as an imperialist Power was blocked they would be useful as buyers of Czech roods. Czechoslovakia flourished exceedingly in the decade fter the war. Perhaps this was the one experiment in state-making upon which the Paris peacemakers could ook back with satisfaction. Certainly there was nothing atisfactory about the development of the other two nembers of the Little Entente.

Rumania. Rumania was doubled in area and in popuation as a result of the peace treaties. Never was an ncrease of territory so ill deserved. The Hohenzollern King of Rumania was in alliance with Germany at the butbreak of war; his Ministers would not let him declare war against the Allies, and for two years Rumania stayed neutral. Then the "liberal" Minister Ion Bratianu made a bargain with the Allies: Rumania would fight against Germany in return for Transylvania, Bukowina and the Banat of Temesvar as far as the Theiss. It was an unconscionable demand, but the Allies accepted it. Rumania fought and was defeated; in December 1917 she signed an armistice with Germany, and in the following May a capitulatory treaty of peace. Luckily for Rumania her Ministers remained watchful in defeat: on November 9, 1918, two days before hostilities ended, Rumania declared war against Germany again, and so was able to turn up at the Paris Conference to claim her reward as a victorious ally. She got Transylvania, she got Bukowina, she got her share of the Banat. And she proceeded to take the Province of Bessarabia, which in 1917 had voted itself an autonomous Republic within the Soviet Union.

The new Rumania had considerable natural wealth some fine agricultural land and also petrol resources excelled by only three countries in the world. It was hardly to be expected that in her suddenly swollen state she would be able to evolve a sound political system. The Constitution was manipulated so that the clique controlling the electoral machine could always win a majority at the elections. Minorities were neatly wiped out by a law which laid down that any party winning 40 per cent of the votes should have 50 per cent of the seats as well as the proportion of the other 50 per cent of seats to which its proportion of the votes entitled it. Political corruption reached depths unknown in Europe, and the only stable things in Rumania were the persistent allocation of some 40 per cent of the budget to the army, and her adherence to the Little Entente. There was no sign of improvement until 1928, when the Bratianu clique fell, and the peasant leader Maniu became Prime Minister. Maniu did everything that one man could do to rid the Government of corruption, and he carried through a great reform—the land settlement, by which the big estates were broken up and divided in small holdings among some of Rumania's fourteen million peasants. The division of land added to the happiness of the peasants, but it did not by any means increase the agricultural output of the country. Maniu found himself between the upper and the nether millstone, between the incalculable court intrigues of King Carol and the grinding poverty of the people. There was only one possibility of salvation for democracy in Rumania: that world-prices of oil and agricultural products should rise. If they did not there would be nothing but economic ruin and political dictatorship for Rumania.

ugoslavia. The Kingdom of the Serbs, Croats and ovenes, or Yugoslavia, like the other new States of urope, was the product of an unnatural union of motives. resident Wilson had wished to liberate the southern or Yugo-) Slav peoples, whose history had been one of most unceasing persecution. Clemenceau had wanted set up a State which would relieve Austria of her old buthern provinces, and at the same time keep Italy out of he Dalmatian coast. In the first decade of the new State's kistence there were constant quarrels between the Serbs Belgrade, who imposed their own King Alexander and a entralized constitution of their own making upon the new ingdom, and the Croat peasants of the northern and restern provinces, who found that they had less liberty nder the new Yugoslavia than under the old Austro-Jungarian monarchy. The Dual Monarchy had allowed nem a degree of autonomy as befitted a people who had ad a European culture for many centuries. It is little vonder that they resented the domination of the Serbs, a eople who had been brutalized by hundreds of years of Turkish rule, and who numbered only 46 per cent of the opulation of Yugoslavia. A Croat Peasant Party was ormed under the leadership of Stefan Raditch, a voluble dealist with little tact but with unbounded devotion to his ause. For years Raditch refused to let his party take any art in the political life of the State, in protest against the urely Serbian interests of Belgrade. The Government eplied by putting him in prison in 1925, but soon realized hat this was a false move, and setting him free gave him the ost of Minister of Education. Parliament now became an rena for battles between Serbs and anti-Serbs; sometimes he fighting was confined to insults, often it came to blows. The climax was reached in 1928, when a pro-Government leputy rose in his seat and shot Raditch. The Croat leader lied of his wounds. His people honoured his memory, nourning him as a national martyr. The main obstacle to he Serbianizing of Yugoslavia was gone.

The new State was wretchedly poor; the Government

was depending chiefly on foreign credits. France was the largest lender, but she drove a hard bargain in the treaty made with Yugoslavia in 1927, in which it was stipulated that five new divisions, equipped throughout by the Skoda concern, be added to the Yugoslavian army. American bankers offered less onerous terms: Mr. Morgan would put up a loan if the Belgrade Government would grant, as the Bucharest Government had done, a monopoly of electrical work to his International Telephone and Telegraph Company.

By the time that the Locarno treaties were signed Poland and the Little Entente were all firmly established as sovereign States. They were all making some progress, however elementary, towards that parliamentary democratic form of government which had been the ideal of their benefactors at the Paris Peace Conference. True, they had unsolved internal problems—dissatisfied national minorities. peasant populations living dangerously near subsistence level, budgets that would hardly balance because of the huge sums devoted to armaments—but they were helped by the support of France and of America. French help showed itself in defensive treaties, in loans and in guidance in military organization; American support in private loans, and in the eagerness of American capitalists to develop the new nations' resources. What would happen if the stream of French and American money should happen to dry up, and if the prices of agricultural goods were to fall, or foreign markets to be further blocked by tariffs, the people of the new nations did not know. They were to find out in 1929.

Recovery in Germany. Meanwhile the Dawes Plan had been the beginning of a great economic revival in Germany. The German industrialists saw a gleam of hope at last, and set themselves to rebuild Germany with a spirit that has never been seen before, except perhaps by France in 1871–72, and only once since—by the Russians under the Five Year Plans. Germany still had some coal left, and she had

e greatest steel, chemical, and electrical works in the orld. Now she had capital as well; in 1924 she borrowed million pounds, mostly from America, partly from Engnd. By 1926 her industrial output was only 5 per cent low that of pre-war years. The Locarno spirit made dustrial relations with France easier; in 1926 French and erman magnates made an agreement to exploit steel to eir mutual advantage, and in 1927 they made a similar reement with regard to potash. American magnates took hand in financing and reorganizing German industry. ationalization was the order of the day; it was not so uch a question of carrying on old industries as of rebuildg them on new lines and with new machinery. Germany ade up for her lost coal by generating electric power from gnite. She made up for her lost merchant fleet by building ew ships with American money; soon her liners, the remen and the Europa, beat the British in competition for he luxury passenger-traffic across the Atlantic.

All foreign loans to Germany did not go into these prouctive channels. America was overflowing with spare apital at this time, and bankers had no difficulty in finding ients willing to lend money abroad. The bankers got a ommission on every loan they raised; consequently they estered German municipal and local authorities to borrow oney. The Germans naturally did not need much perading—there was so much building to be done, slum opulations in need of re-housing, children rickety and ailig from the hardships of the war, the revolution and the iflation, in need of clinics, swimming baths, recreation rounds, new schools and workshops and holiday camps. he Germans borrowed and rebuilt their cities; the Amerians lent, and never stopped to think how swimming baths nd schools would ever yield the profit necessary to pay nterest on the loans.

The German Republic was to be seen at its best during hose years 1924–29. It was the freest republic the world ad ever seen. The Weimar constitution-makers seemed ctually to have believed that man develops his own soul

most fully when most free from moral restrictions. They left him free to read, to publish, to speak and to teach what he would. They left the theatre and the cinema free from censorship; they did what they could to raise some of the · sexual taboos. To moral freedom they added political freedom: they did not destroy their political enemies, they tolerated them, even encouraged them. They carried toleration to fantastic limits. "What can be said for a republic that allows its laws to be interpreted by monarchist judges," asked an American journalist, "its Government to be administered by old-time functionaries brought up in fidelity to the old régime; that watches passively while reactionary school-teachers and professors teach its children to despise the present freedom in favour of a glorified feudal past; that permits and encourages the revival of the militarism that was chiefly responsible for the country's present humiliation? What can be said for democrats who subsidize ex-princes who attack the régime; who make their exiled Emperor their richest man in deference to supposed property rights; who abolish titles of nobility only to incorporate them into the substance of the legal name? . . . This remarkable republic paid pensions to thousands of exofficers and civil servants who made no bones of their desire to overthrow it. It allowed members of deposed ruling families publicly to ally themselves with anti-republican Fascists. It tolerated the presence of a whole group of semimilitary organizations, Private Armies in the literal sense, Steel Helmets, Werewolf, Viking Bund, Hitler Storm Battalions, Communist Red Front . . . it put purely defensive republican organizations, the Reichsbanner and the Iron Front, legally on the same basis as the anti-republican bands. It permitted the ex-nobility to cluster thickly in the upper ranks of the anything but republican army and

The strength of the Weimar Republic—its belief in freedom—was also its weakness. The Germans are the most disciplined of people, their ideals are Honour and Duty.

¹ E. A. Mowrer in Germany Puts the Clock Back.

he Weimar Republic was born in defeat, nurtured in ference to a humiliating peace; it knew no Honour. By lowing moral and political freedom it left no room for uty, no duty was encouraged except a man's duty to himlf. So moral emancipation led to decadence, and liberty licence. Berlin, at least in its wealthy quarters, became City of the Plain, the playground for sexual perverts from very corner of the world. German industry and finance came a free fair for profiteers and for immigrant Jews who ter became symbolic in German eyes for selfish disloyalty. Outwardly Germany was flourishing during those years 224-29, when Stresemann was keeping the goodwill of the llies, when Reparations were being paid, when the French vacuated the Ruhr (July 1925), when industry was climbg back to its pre-war position. Inwardly Germany was otten. With every increase in rationalization in industry fore men were thrown into the ranks of the unemployed, to the ranks of the enemies of the Social Democratic overnment of the republic. Every year showed those nemies stronger, better organized. The membership of the communist Party grew steadily. The Catholics of the lentre Party formed a rallying point for all who were disusted with the moral laxity of Weimar-Republicanism. The lationalists—the old conservative believers in Monarchism preached the old beloved doctrines of Honour and Duty, nd were strong in their private army, the Steel Helmets, nd in a new recruit, Hugenburg, the steel magnate and ewspaper owner. The National Socialists—new conservave believers in Authority—preached the same doctrines vith more stress on the necessity of repudiating war-guilt nd the Versailles Treaty, and with more attractive promses to the middle-class people, whom the inflation had urned into a penniless proletariat; the Nazi membership ad increased steadily from a humble 7 in 1919 to 178,000 n 1929. But in that latter year, when the last Allied troops vere evacuating the northern Rhineland, Social Democacy in Germany seemed safe enough. Since 1924 the Gernan Republic had been growing prosperous on capital

from abroad; no one seriously suspected in 1928 that tha supply would soon be cut off.

Recovery in Austria. In Austria the same processes were at work. The nation was not an economic entity, but the Allied loans that began in October 1922 made some sort of recovery possible. The Social Democrats had established themselves in Vienna after the Armistice and remained in power. They defied the Communist wave which threatened to roll up the Danube from Budapest in 1919, and they defied the reactionary Catholic pressure which the conservative peasant provinces continuously applied. Vienna was more than a city; it contained nearly a third of the nation's inhabitants, and ranked as a province in itself. The Social Democratic municipal Government of Vienna was also a provincial Government, and under the Constitution the Social Democrats could spend half the provincial revenue on their own initiative-and without their consent the Constitution could not be amended. They made a marvellous thing of their government of Vienna. They gave pensions and unemployment insurance to the workers, prenatal clinics and free medical attention to the mothers, kindergartens and ample playgrounds to the children. They pulled down the old tenements-in which not one flat in twenty had any water supply, and not one in twenty-two a water-closet—and built new blocks of workmen's flats which were justly admired by architects and town-planners all over the world. They made Vienna a model city. And they paid for their work, not by borrowing-save for one small loan they made no call on public funds-but out of the normal sources of taxation. The old class of public officials grumbled at the loss of sinecures, the wealthy families grumbled at the high tax on domestic servants, the sportsmen grumbled at the 331/3 per cent tax on race meetings, but everyone was proud of the new city and year after year the Viennese returned a Socialist majority at the elections.

The Catholic provinces of Austria were jealous of Socialist

enna. They were in a majority—nearly two-thirds of the tional electorate were conservative and Catholic; dearly ould they have liked to overthrow the Constitution and turn to Habsburg rule. The more hot-headed of them are organized in a Fascist private army, the Heimwehr, der Prince Starhemberg and there was always fear of a sh between Fascists and Social Democrats. A minor clash d occur in 1927, when favour shown to Fascists in the burts led to a spontaneous strike of Viennese workers. The cialist leader, Otto Deutsch, warned the police, but the ter lost their heads and fired on the crowd. Eighty-five ikers and two policemen were killed before order could restored.

Post-war Austria was a strange anomaly. A Socialist pital in a conservative country, and a prosperous proariat in a nation that could never, by the St. Germain eaty, hope to achieve a healthy economic life. Austria s living on foreign loans. Her post-war reconstruction s precarious, but no more precarious than the rest of ntral Europe. Poland, Rumania, Yugoslavia, Hungary d Germany—above all Germany—were living on foreign oney. Only Czechoslovakia, thanks to her industrial reirces, was in a tolerably strong economic position, and e depended on foreigners' willingness to buy her goods. day might come when foreigners would refuse to lend, en foreigners would recall their loans and raise their riffs. And that would be the end of the reconstruction of e nations of Central Europe and of their more or less mocratic constitutions.

The day came in 1929. But before we describe the crisis d its consequences we must turn aside to events in other rts of Europe, to the strange developments in victorious ance, to the most undemocratic revival of Italy, to tatorship and revolution in Spain, and to the post-war ficulties of Great Britain.

IV: VICTORIOUS FRANCE

 ${f M}$ ore than any other nation France was respon sible for the turns which the political development of Central Europe had taken since the war. It is easy to mis understand French policy, easy to blame it for wrecking Wilson's peace, for saddling Germany with the unbearabl load of Reparations, for invading the Ruhr, for building up a chain of alliances in Eastern Europe suspiciously lik that which had dragged half the world into war in 1914 It is hard to understand that in manœuvring thus fo security France was trying to defend a culture which, i there is any standard by which one culture can be com pared with another, must be admitted to be the finest in the modern world. For nearly a thousand years France had been the most civilized nation in Europe. She was the first to win national independence. In the seventeenth centur she became the accepted model for the culture of Europe her language was the language of every European Cour her manners in dress, conversation and polite behaviou were the standard for whomever had any aspirations t civility. In the French Revolution she fought for the idea of enlightenment, of liberty and equality before the law and gave Europe the example which in the nineteent century led every State to refashion its constitution on mor democratic lines. It is little wonder that France feels to-da that she is the guardian of European culture. France is conscious that she has a mission towards the rest of the world not a religious mission like that of Spain in her imperiali days, not a political mission such as Englishmen are conscious of in their essays in imperialism, but of a missic civilisatrice. For France has attained what every other natio striving towards, an internal harmony. As Count ermann Keyserling says, "This land embodies the one unirsally intelligible and universally enjoyable harmony tween man and his surrounding world which is to be and in Europe." No one who has lived in France can I to be aware of that harmony; it is made up of a perfect lance between Greek σωφροσυνη and Roman gravitas, etas and constantia, between Humanist intellectual inquiry d Catholic faith, between deep family loyalty and staunch dividualism. The harmony can be seen too on the ecomic plane. No nation has achieved such economic balce as France. One half of the population devotes itself to riculture, one half to industry and commerce, half are asants, half townsmen. And agriculture in France does t mean extensive corn-growing, nor industry the manucture by mass-production of a few more or less standdized articles for export. Agriculture means the intensive ltivation of fruit, wine, vegetables, as well as cereals; dustry the perfection by inherited craftsmanship of a ousand articles by a million small manufacturers, as well the production by modern methods of textiles and metal ods by big industrialists.

car of Invasion. All France's policy is directed towards curity, towards preserving intact the territory which has en the cradle of her culture. France has always been ghtened, and with reason, of invasion. She has never had her eastern flank a safe frontier such as England has in e sea and the United States in the under-populated panses of Canada and Mexico. The Industrial Revolution ade France more vulnerable than ever, for her resources iron and coal were found to lie within a few miles of that wen eastern frontier. Twice within living memory France as been invaded. The World War was fought largely on each land, over counties which had housed one-eighth of the population and supplied many more with the comforts life.

It is hard for Englishmen who have not known a serious

invasion since 1066, and for Americans who have the oceans between them and potential enemies, to realize what this means; it is easy for them to sneer at France's anxiety over her security. They have done little since 1918 to help her to achieve it. An American Congress repudiated the guarantee which the President promised at Paris. An English Conservative Government, as we shall see, rejected one French security pact and a Labour Government another. Both English and Americans opposed the Ruhr adventure, and if at Locarno England gave some guarantec of French immunity from invasion it was 1929 before America consented to "outlaw war" in the Briand-Kellogg pact—and that pact was not much more than a pious resolution. A French writer, Léon Bourgeois had proposed to Wilson that the League of Nations be equipped with an international army to restrain nations from future breaches of the peace, but that proposal was rejected; a French politician, Aristide Briand, later made much the same proposal at Geneva, but again it was rejected. France fell back on a strong army and a new line of subterranean fortresses built along her vulnerable eastern frontier.

The reason for English and American apathy towards France's fear of invasion was partly lack of imagination and partly justifiable distrust of one group of French interests. Most classes in France were tolerably contented, the peasants to cultivate their small holdings, the rentiers to live on their small investments, the small industrialists to apply their skill to their incomparable products, but one group, the heavy industrialists, were dangerously ambitious French heavy industry dates from the days of the second Empire of Napoleon III and has preserved an imperialistic outlook. After the War its directors dreamed a dream: they saw themselves in control of the iron and potash of Lorraine and of the coal and coke of the Saar and the Ruhr, all working as a single industrial unit under the Association of French ironmasters, the Comité des Forges, of which the Schneider-Creusot firm was the leading member. Their dream was shattered by the Versailles Treaty when the uhr and the Rhineland were left in German hands. They termined to achieve their ambition by pulling political res.

oc National. French political wires are more comicated and to the outsider more confused than those of her countries because they are attached to a more delitely balanced social system. Each tiny group, social and onomic, has its party, and no party can hope to command majority in the Chamber without the support of several hers. A Government must depend for support upon a alition of parties, and if it offends any of the widely fferent interests which they represent it falls. In these rcumstances it is not surprising that the average life of a inistry is only a few months; Prime Ministers fall and inistries are reshuffled as the balance of power in the palition shifts to right or to left of the Chamber. This dy cannot be dissolved before the end of its full term of ur years (except by consent of the Senate which is never ven) and Prime Ministers, deprived of the weapon of an ppeal to the electorate, must make shift with the members ey find before them.

The elections of November 16, 1919, brought into power coalition known as the Bloc National. Like most groups hich use the label National it was reactionary. The Bloc ational represented an unholy alliance of diehards, atholic clericals, the Comité des Forges and big financial ad industrial interests generally. Its policy, like that of the nglish Parliament of that time, was to make Germany ay for the damage done by the War. Gradually the alance shifted to the reactionary side of the coalition. lemenceau was blamed for letting Germany off too ghtly; he had to resign in January 1920, and the fireating Millerand became Premier. Eight months later fillerand was raised to the Presidency, but he continued act as if he were leader of the Government; and in anuary 1922 he sent a peremptory telegram recalling Briand from the Cannes Conference, where that

long-sighted politician had been taking a lenient view of the Reparations question. Briand's fall gave the *Bloc National* a new and most redoubtable leader, Raymond Poincaré. The policy of Poincaré can be gauged from his appearance; he was a square-headed, stiff-bearded man who wore a semi-military cap and, on occasion, black leggings over his civilian suit. No one had greater experience: from 1913 to 1920 he had been President of the Republic.

Under the Bloc National the ironmasters of the Comité des Forges were able to build up a lucrative export trade with the new States of Europe. Special French banks were formed to open up these countries, the Banque d'Europe Central for the Little Entente, Austria and Hungary, the Banque Polonaise for Poland, and the Banque Franco-Serbe for Yugoslavia. In December 1923, Poincaré offered large loans to the two latter States for the purchase of munitions and other military supplies. But the Comité and the Bloc overreached themselves in the Ruhr invasion. Poincaré resigned the Prime Ministership, and Schneider the chairmanship of the Comité des Forges, and an entirely new Coalition, the Cartel des Gauches, came into power in 1924.

The Cartel was not "left" in Cartel des Gauches. any sense-though in financial matters it might be called gauche. It was not revolutionary, not even Socialist, but a group of moderate factions representing the small industrialist, the rentier, the peasant proprietor and the civil servant-a peace-loving coalition. Its first leader was Herriot, a "man of the people." who had risen through scholarships to a professor's chair, and through his genial personality to the mayoralty of Lyons, an office which he had held for some twenty years; its second Aristide Briand In foreign affairs the policy of the Cartel was to seek peace and ensue it by arbitration. At first everything went well Herriot insisted on the resignation of the President Millerand, who had been behind Poincaré in the Ruhr business and followed Ramsay MacDonald's lead in giving official recognition to the Soviet Government of Russia. Briand and acDonald together drew up a plan for making the League Nations an effective instrument in preventing future ars. The idea was to invite every member of the League sign a Protocol promising to submit every dispute to bitration. The Protocol went further than the Covenant, r it gave a clear definition of the term "aggressor": the gressor was deemed to be the Power which refused to cept arbitration. At first it seemed that no nation could cently refuse to sign, but when the Labour Government as succeeded by the Conservatives in England the weakess of the plan soon became apparent. The Powers most kely not to accept the League's decisions were the nonembers, Russia for instance. The British Dominions ould then be dragged into a war against Russia in which ey had nothing to gain. Great Britain refused her signare, and the Geneva Protocol was buried. The Cartel was ot discouraged by this setback, its leaders continued to ork for peace in foreign affairs and soon had to their credit e acceptance of the Dawes Plan, the evacuation of the uhr, and the signature of the Locarno pacts.

In home affairs its object was simple: it wanted to avoid ditional taxation. The Frenchman has never paid taxes ith alacrity; it has been said that he will die for his ountry but will not pay taxes to it. French Governments aid for the War, not by taxation, but by loans, loans from renchmen and from Great Britain and the United States. here was no income tax until 1917, and for many years ter that there was no machinery to induce a Frenchman declare his income in full. The Government seemed to ave no hope of balancing its budget; Reparations were elding little, the reconstruction of the devastated areas ad cost France 20 million francs before a single mark was aid by Germany, and the Ruhr invasion had proved stremely expensive. Not surprisingly the franc was falling the foreign exchanges. The Cartel leaders were forced gainst their natural inclination to increase taxation; an ktra 7½ milliards were levied in April 1926. It was not hough to balance the budget or to save the franc, but it

was more than enough to lose them their majority. In July 1926 the pound sterling was worth 250 francs. Poincaré became Prime Minister again, at the head of a new Coalition, the *Union Nationale*.

Poincaré and the Franc. The *Union Nationale*, which was to rule France until 1932, was composed of stranger bedfellows than either of the other two post-war coalitions. Poincaré set out to combine the industrial policy of the old *Bloc* with the more enlightened foreign policy of the *Cartel*. It was a clever idea. He satisfied foreign opinion by appointing Briand to the Foreign Office; he satisfied radical opinion at home by making Herriot Minister of Education; he placated reformers at home and abroad by leaving Miller, and out of the Ministry. But he kept finance in his own hands and called in the reactionary Tardieu to support him as Minister of Public Works.

The first necessity for France at that moment was drastic financial action. Poincaré took it. He raised the income tax he increased indirect taxes, he set aside the tobacco monopoly and the estate duties for debt-redemption, he applied the axe in the civil service. By dint of these sacrifices, and with the help of the Bank of France, he balanced the budge (for the first time in sixteen years), and he drove the value of the franc up to 124 to the pound sterling. He could have driven it up still farther but that did not suit his book. He kept the franc stable at 124–5, and in 1928 brought France back to the gold standard with the franc at that level.

It was a smart piece of work. The franc was now fixed at one-fifth of its pre-war level; this meant that of all debt owed in francs only one-fifth need be paid. The rentier suffered, being deprived of four-fifths of their income, bu perhaps they deserved to lose it; French citizens, like Florentines in Medici days, had preferred to lend the Government money for rentes instead of giving the Government money in taxes. A war has to be paid for somehow and now the French citizens were paying in the loss of theil loans. Their individual loss was more than made up by the

neral improvement in the economic condition of the untry. By Poincaré's action the Government was relieved four-fifths of its capital charges. For a time French induses were able to undersell other countries in the markets the world, and the ironmasters forged ahead.

iand and the League. France was now in a very strong sition; she had the largest army in Europe and the largest erve of gold, her budget showed a surplus, and her heavy dustry was flourishing. There were dangers, of course: ermany might rearm, Italy under Mussolini might prove gressive, Austria and Hungary were showing inclinans to combine once more under a Habsburg monarch, d Russia was always a problem. But at the present oment all was well. The great problem for France was ensure that those present conditions would be continued the future. Briand was fertile in ideas. He approached nerica: Paris and Washington had no quarrels—wouldn't ashington sign a treaty of everlasting peace with Paris? ashington would not. Secretary Kellogg pointed out that him to sign a treaty with one single Power would be vidious; he proposed instead a general treaty which all wers would sign, guaranteeing to abstain from aggressive ar for ever. The suggestion was harmless; fifty-three wers signed the Paris (or Briand-Kellogg) Pact in 1928 d 1929. It was also quite useless; there was nothing to p any nation from making a war which it considered be defensive. Kellogg had insisted that the Pact should ntain nothing "which restricts or impairs in any way the tht of self-defence; that right is inherent in every sovereign ate and is implied in every treaty." Within three weeks of tifying the Pact the United States Senate passed a Bill the building of fifteen new cruisers at the cost of a arter-billion dollars.

Briand now turned to Geneva with a startling proposal. suggested that the European members of the League ould form a League-within-the-League, a close union the preservation of peace which might form the basis

for a future United States of Europe. On Briand's lips the plan seemed unexceptionable; it would establish "a bond of solidarity which would permit the nations of Europe at last to become conscious of their geographical unity, and to realize, within the framework of the League, one of the regional understandings recommended in the covenant." But there were certain obvious objections. In the first place France's allies, Belgium, Poland and the Little Entente, would be members and Great Britain's Dominions would not; France would therefore have six votes in the new Union while Great Britain had one. Secondly, if Russia and Turkey were to be excluded as non-European nations, the Union might turn into a French conspiracy for preventing the revision of the Versailles settlement for all eternity. Briand's plan fell to the ground, and France reverted for her security to her old plan of strengthening her army, fortifying her eastern frontier, and cementing the frontiers of her Allies by loans for military expenditure.

Weakness of the Party System. The Union Nationale was strong enough to survive Poincaré who retired in 1920 and Briand who died soon after. It was strong enough to survive the economic crisis in 1929, 1930 and 1931. Yet it found itself in serious difficulties. The Government could hardly make ends meet. The French people have never beer rich in the sense that Englishmen and Americans have beer rich, and now they were burdened with taxation heavier in proportion to national wealth than English or Ameri cans, and the cost of living was up to four times its pre-war level. The Bank's gold did not belong to the Government it represented the savings of the French people (and to an extent of foreigners). The depression outside France wa hitting French industry, indirect taxation was yielding les and less, and yet such was the unsettled condition o Europe that France felt bound to spend more and more or her military equipment. At last, in 1932, the Union National was defeated at the elections and a less conservative coalition, reminiscent of the old Cartel, came into powe nder Herriot. But again the old weakness of the Gauche came apparent; the Gauche could not increase taxation thout losing the support of its component parties. inistry succeeded Ministry, and still the deficit in the idget increased. It seemed in 1934 as if the affairs of ance could not be administered under the existing rliamentary system. Yet what was the alternative? The ommunist Party was not much stronger in France than England; its support was confined to one or two Departents like Var, to one or two suburbs of Paris, and to the ual coterie of intellectuals. Socialism was not much ronger; there were many parties calling themselves cialist, but only one, that led by Léon Blum, professing eas anything like those of Marx. A more likely alternative peared to be a return to dictatorial Monarchy. There s always been a faction in France opposed to the Third epublic for much the same reasons that the Nazis were posed to the Weimar Republic—because it was born of feat. Centring round the Action Française organization, e Royalists have agitated consistently and cleverly; in harles Maurras they have a prophet, and in Léon Daudet publicist who have inspired thousands and entertained andreds of thousands of young Frenchmen.

The crisis came with the year 1934. A financier of the me of Stavisky was caught in the fraudulent issue of me Bayonne bonds and committed suicide to escape rest. It then became known that he had been arrested 1926 for a fraud involving 7,500,000 francs and had been leased pending trial, and the trial had been postponed o less than nineteen times because he had friends in high aces—his Bayonne bonds had been recommended by no so a person than a Cabinet Minister. Now the sewers of ench police and official circles were opened at last and e public recoiled from the stench; it seemed in those days at the whole republican administration was corrupt. Oyalists and Reds made common cause in rioting in the reets of Paris on February 6, and in the course of the ght 15 men were killed and 1,300 hurt.

To save the Republic, Doumergue, an octogenarian ex-President, was recalled from retirement to become the head of a ministry significantly called the National Concentration. Doumergue's cherished idea was the convention of a Constituent Assembly at Versailles with the object of carrying reforms to prohibit the proposal of expenditure by private members, to curtail the right of civil servants to strike, and to empower the Premier to dissolve the Chamber at will. It was on this last point that the Doumergue plan broke down. The Left wing of his ministry saw the spectre of Fascism behind the projected power of dissolution and in November Doumergue was forced to resign. The impotence inherent in the Republican régime was once more made manifest: its Right wing was suspected of leanings towards dictatorship and its Left wing of weakness in the matter of finance. The French people were divided between fear of Fascism and hatred of voluntary financial sacrifice.

Church and Republic. In these years the French Republican régime had a new ally in the Catholic Church. Since its foundation in 1871 the Third Republic had been bitterly opposed to the Church; it had taken its stand on liberty of conscience and was determined not to favour any one form of religious belief. Catholicism ceased to be the established religion of France, the church buildings became the property of the Communes, the clergy were no longer paid by the State, monks and nuns lost the right to live in communities on French soil, and religious instruction in the State schools was forbidden. The Pope protested against the paganism of the new Republic. At first it seemed as if the organized forces of Catholicism might overthrow it, but in 1891 the Pope advised the faithful to take part in the political life of the State, and to vote at elections without forming a specifically Clerical party. From now on open resistance to the Republic was confined to a bitter religious Press and an organization of Catholic Royalists, the Action Française.

The Republic remained officially opposed to the Church

roughout the pre-war period. But four years in the valley the shadow of death revived the need of Frenchmen for a anscendental dogmatic religion. The Bloc National was pported by a considerable body of men who favoured the aims of the Church; a French Ambassador was accredited the Vatican and religious Orders began to establish emselves again in France. The Cartel des Gauches was armed by these concessions and threatened to recall their atican representative, but the Pope showed himself xious to make every possible concession to the Republic. he Action Française was clamouring for the restoration of Catholic Monarch even at the cost of civil war: Pius XI It compelled to put the whole movement under the ban the Church, even though it was the strongest Catholic ganization in France. By a series of decrees culminating 1927 he forbade the faithful to support the Action Franise movement or to read its paper under pain of being enied Church marriage and the other sacraments of ligion; and so the old breach between Church and Reablic was largely healed, though the Church remained sestablished. The majority of men and women—especially women—in France would have liked to see Catholicism tablished once more as the official religion, but the antiericals retained a majority at the elections by consistently fusing to allow woman-suffrage.

How important the Church question has been in the ost-war history of France can be seen by events in Alsace and Lorraine. The Germans had allowed these provinces keep their own legislatures and a certain degree of dependence. They had allowed them to preserve the oncordat with the Papacy under which the Catholic ergy were maintained at the expense of the State and atholic children brought up in the doctrines of their faith State-aided schools. After 1918 the French set out to estroy all this. The Bloc National swept away local incependence by abolishing the provincial legislative assemlies and administering the two provinces by Parisian fficials, ignorant alike of local customs and of the local

German dialects which most of the inhabitants spoke. The Cartel des Gauches attempted to sweep away the Concordat : it was proposed that the Church should maintain her own clergy and that no religious instruction should be given in the schools. Here the French Government had overreached itself. Parents encouraged their not unwilling children to go on strike, and to boycott the schools. Herriot had to make a compromise by which children were to be given no religious instruction in State-aided schools, though time was to be set aside for them to attend religious classes in Church schools. The Alsace-Lorrainers were not satisfied; a strong faction among them began to demand national independence, and when Poincaré, himself a Lorrainer by birth, set about suppressing this autonomiste movement by shutting down their newspapers and arresting their leaders the autonomiste faction grew, and Alsace-Lorraine seemed ripe for rebellion. Again the French Government had to give in; the newspaper offices were re-opened, autonomiste propaganda was tolerated, and Church liberties were not further threatened.

France has not been happy in her post-war history. Though she was the dominating European Power, her consciousness of a mission civilisatrice antagonized the peoples whom she tried to assimilate to her culture in Alsace, in Syria, and in Africa, and her fear of invasion kept fear alive in other countries and stood in the way of disarmament and of the universal peace which it was her dearest desire to maintain. She had taken her stand on security, on preserving the cultural, political and economic balance which the peace treaties had promised her, and her people had enjoyed more freedom and more contentment, and had suffered less civil strife and disorganization and less unemployment than those of any other nation in the post-war period. But her policy cost France dear, and other countries still dearer.

¹ France's Syrian problem is discussed in Part III, Chapter II, her African problems in Part V, Chapter I.

V: FASCIST ITALY

TALIANS EMERGED from the World War a defeated ation. They were defeated in battle, soundly and roundly it to flight by the Austrian army under the German eneral Mackensen at Caporetto in October 1917—a efeat which even their subsequent recovery when stiffened a British and American troops, and their triumph over an ready dead Austrian Empire at Vittorio Veneto could not face from their memory. And they were defeated in egotiation by the Allies. That was the unkindest cut fall.

Italy had joined the War to win land. In 1914 she was ed by treaty to Germany and Austria, she was a member the Triple Alliance, but the Central Powers would comise her nothing but part of the Trentino as the price her arms. England offered a more substantial bribe: the rentino and the Tyrol as far as the Brenner, Trieste and tria, the Dalmatian coast all except Fiume, full ownership Albanian Vallona and a protectorate over the rest of lbania, Adalia in Turkey, and a share of the Turkish and erman Empires in Africa in the eventual partition. So aly signed the secret Treaty of London in April 1915, and May declared war on Austria. Prudently she postponed eclaring war on Germany for another fifteen months, but herwise she did not spare herself. She mobilized nearly x million men and lost 700,000 killed in battle. So she felt ntitled to her promised reward. More than that, she felt ntitled to Fiume. Wilson had promised self-determination: ere were Italians in Fiume: therefore Fiume would dermine to be Italian. But the Great Powers had other lans. Italy should have the Trentino to the Brenner, she

should have the Dalmatian port Zara and the island Lagosto, but not the rest of the Dalmatian coast, not the Albanian protectorate, not much of German Africa, and above all not Fiume. Italian opinion was outraged; Orlando flounced out of the Council of Four in a rage; and all Italy was up in arms against their false Allies of the Paris Conference.

A Frustrated Nation. Italians felt themselves disgraced in the eyes of the world, swindled by their own politicians. War had cost Italy dear, draining her of money, saddling her with a budget deficit of over twelve thousand millior lire, forcing up the cost of living. The political party ir power in 1919 was pacifist, its leaders old and cynical. It is little wonder that Italians turned to violence. A crop o secret societies, blood-brotherhoods, terrorist gangs of every sort sprang up all over the country—in soil traditionally fertile for such growths. A group of fighters calling them selves Nationalists under the most popular airman and poe in Italy, D'Annunzio, a fantastic little faun of a man, flev to Fiume in September and captured it in defiance of the Powers. They held the town till Christmas, their head ringing like the inside of a bell with the clanging notes of old Roman Imperialism. Then Giolitti, the Prime Minister sent a warship and drove them out. A group calling them selves by a new name, Fascists, that had been created in Milan in March gathered force rapidly, and took over th thunder and the slogans of the Nationalists in 1920. Group of Bolshevik-minded workmen fumed in the factories There were scores of other groups pursuing private ven dettas and individual objects here, there and everywhere i the peninsula.

At first it seemed as if no social order could emerge or of this chaos. At the elections constitutional parties alway won majorities—the moderate Liberals under Giolitti, th moderate Social-Democrats under Bonomi, the nev Catholic Popular Party under the priest Sturzo, a reall gifted politician. But the moderate parties were oppose violence and were wedded to parliamentary methods. hey were powerless against the terrorists.

Throughout 1919 strikes were common. In 1920 the rike-movement grew, starting in the Carrara quarries, preading to railway-workers and printers, and culminang in September in the seizure by workers of six hundred ctories involving half a million employees. The workers t up Soviets; but they lacked experience in management, ney were deprived of raw materials and foreign markets, nd at last, after seventy-five days of negotiations, they gave and surrendered the factories to the owners. This was in eality the end of the Red Menace in Italy. In January 1921 ne Communists split away from the Socialist Party. What ne Socialists lost in strength the Fascists gained. Thirtynree Fascist members, including Mussolini, were elected to arliament in May. They were not united, they had no iscipline. From all over the country news came of Fascist aids, bombings and assassinations, all pointless and uncordinated. Mussolini resigned his leadership of the party in rotest against this indiscipline, but at a party congress at ne end of the year he was reinstated, all Fascists agreeing accept orders from him, Il Duce.

The March on Rome. It was at this moment that Fascism egan to stand out as the focal point for the new Italy. Mussolini now declared himself to be a Monarchist. His novement claimed to be the defender of the nation against colshevism, and when the Reds made their last and very beeble fling in August 1922 the Fascists beat them up horoughly and convincingly with their now familiar veapons, the bludgeon and the castor-oil bottle.

Now nothing stood between the Fascists and power except he Constitutional parties. As Cabinet crisis succeeded Cabinet crisis Mussolini laid his plans for a coup d'état. A massed march on Rome was timed for October 27, the antiversary of Vittorio Veneto, and squadron upon squadon of Fascists was moved into garrison in towns near he capital. When the day came Mussolini's lieutenants,

de Vecchi and Grandi, called on King Victor Emmanuel The Prime Minister, Facta, had no alternative but to re sign, and when the Fascists refused to join a Cabinet unde anyone but their own leader the King bowed to the in evitable: he invited Mussolini to form a Ministry. Or October 30 the Duce arrived in Rome (it was no spectacular "march"; he came in a sleeping car from Milan). He formed his Ministry: fifteen Fascists and fifteen from othe parties, with Mussolini as Minister for Home Affairs and for Foreign Affairs and Prime Minister. There was no fighting; the Fascist troops left Rome quietly in twenty four hours—50,000 of them—and were enrolled later in anational militia. The coup was complete.

Who was this Mussolini? He was totally unknown out side Italy, and not well known within. The outside work was not much reassured when they heard his record. So of a village blacksmith, christened Benito after Benito Juare the Mexican revolutionary, a firebrand Socialist in his youn days, eleven times imprisoned, leader of an abortive coup is June 1914, during which "red days" twenty men wer killed, editor of the Socialist paper Avanti until Novembe 1914, when he was expelled from the party for advocatin war against Austria, then editor of the Popolo d'Italia, paper directed by himself and founded, it has been said with French funds, creator of the Fascist groups, leade of riots against the Socialists who had once been his col leagues—it was not a comforting record.

What did he stand for? Catholicism presumably, sinc he damned the Freemasons. Dictatorship evidently, sinc he bullied the deputies in Parliament and set up a Fascis Grand Council to initiate all legislation. But it was a har question to answer, for no definite policy was visible beneath the froth of his speeches and proclamations. No until 1925 did his positive policy begin to emerge. The intervening years were spent in wiping out opposition.

Terrorism continued throughout 1923, when isolate groups of Fascists were celebrating their victory by continued bludgeoning and more forced doses of castor oil. I ne 1924, the particularly brutal murder of a popular ung Socialist deputy, Matteotti, united the democratic rties against Mussolini. A trial of strength followed: the scists turned their weapons on the Constitutional pars, and by the end of the year—by the time that the Dawes an for Germany was being formulated and peace was tling down over Central Europe—all opposition to ussolini had faded away.

he Corporative State. Now was the time to begin the al work of Fascist reconstruction of Italy. Mussolini had hieved power by force; he could hold it only if he suceded in improving the economic condition of his people. aly was a poor country; with two-thirds of her land puntainous and sterile she could not grow enough wheat feed her population; with no substantial mineral deposits d no colonies rich in raw materials she had to rely on ports from foreign countries for the stuff of her industries for coal, iron, petrol, and cotton. To pay for these imrts she exported mainly wine, olives and fruit, leatherork, woodwork and glass, the products of the traditional ill of Italian husbandmen and craftsmen. The exports ere not enough to pay for the imports, and the balance as made up, before the War, in a rather humiliating way the remittances sent back to their families by Italian nigrants, and by the money spent in the country by reign tourists. During the War the tourist traffic ceased, d after the War foreign countries had no more use for alian emigrants. Poverty increased in Italy, and the reltant dissatisfaction was behind the strike-epidemic of st-war years.

Mussolini's task was to make Italy self-supporting. Somew agricultural production—especially of wheat—must be mulated, somehow electric power must be developed as a bstitute for coal, somehow the strike-bane which had ttered away the wealth of the nation must be stopped. he only solution was to establish some sort of central conol over agriculture, industry, finance and labour, in fact over the entire economic life of the nation. Mussolini began by abolishing the old Trade Unions. In their place he proposed to recognize in each local trade one Syndicate of employers and one Syndicate of employees. By stipulating that any body with 10 per cent of the workers concerned on its books might be recognized, and by giving recognition only to pro-Fascist bodies, he secured control over the whole trade. The Syndicates were both more and less than Trade Unions: less because none but men acceptable to Fascist headquarters might lead them, more because they had power to exact contributions from and to prescribe regulations of work-hours, pay, and discipline for all workers and employees, whether members of the Syndicate or not. They had no right of strike or lock-out; all disputes that could not be settled by arbitration must be referred to a Labour Court of Appeal, where the judges were appointed by Mussolini.

The Syndicates were intended to look after the interests of local vocational groups. To link up these local interests with the interests of the national productive forces as a whole, the Syndicates sent representatives to associations and provincial federations, and these latter to national Confederations. There were thirteen Confederations, one for the workers and one for the employers in each of the six branches of national production (Agriculture, Industry, Commerce, Inland Transport, Sea and Air Transport, and Banking and Insurance), and one for the liberal professions. The thirteen Confederations were represented in a National Council of Corporations which, as Mussolini said, "is to Italian national economy what the General Staff is to an army—the thinking brain which plans and co-ordinates."

If the National Council of Corporations was the General Staff, Mussolini was the Commander-in-Chief, with as his Chief of Staff the Minister of Corporations, a Cabinet Minister appointed by the *Duce* and responsible for the whole economic strategy.

Such was the corporative system outlined in the famous

bour Charter of 1927. The next step was to graft it on to e political constitution of Italy. On paper Italy was still Constitutional Monarchy, with Prime Minister, Cabinet, ouse of Commons and Second Chamber, more or less on English model. Between 1923-27 Mussolini had transmed this by a series of Acts which gave the Prime Minister most absolute power; one Act made him responsible to e King alone, and therefore not removable by a vote of -confidence in Parliament; another gave the Cabinet inisters, whom the Prime Minister nominated, power to rislate by Orders in Council. The Second Chamber conted of celebrities appointed for life by the Prime Minister. nd the House of Commons was reduced to a mere debating urt, for the power to initiate legislation rested in fact with e Grand Fascist Council, This Council, of which Musini was of course President, had been the power behind e throne since 1922, but it had had no part in the written nstitution until 1929. Then at last Mussolini felt that the ne had come to legalise its position. In May 1928 he ssed an Electoral Reform Bill: the old system of electing embers by constituencies was swept away: instead the rade Corporations each submitted a list of names to the rand Fascist Council, which deleted some names and ded others and chose 400 out of the combined lists (of rhaps three times that number). The nation was then ked, in a general election, whether or not it approved is list. Having no alternative, the nation did approve. he 400 became the Corporate Chamber, the new House Commons of Italy.

They had no power. The real political control rested with e Grand Fascist Council, consisting of Mussolini, his inisters and his lieutenants. The Grand Fascist Council et in secret, and decided everything in the present and ture policy of Italy. It even chose Mussolini's successor, rather it chose three men from whom the King was to be ked to make a final choice on the death or retirement of

e Duce.

The Fascist Creed. Such was the new Constitution of Italy, the dry bones of Fascism. How shall these bones live? They lived by faith in the Fascist creed which was instilled into the people by every conceivable method of propaganda The children were compelled to go to schools where none but pro-Fascists might teach. They were given no textbooks but those written in the Fascist spirit. They sat under Mussolini's portrait, and learned to spell out the motto or the walls: "Mussolini is always right"; they chanted in chorus the inspiring, and to foreigners surprising, line: "It was Italy that won the war at the battle of Vittorio Veneto." Outside the schoolroom they were mobilized in troops, the girls in Piccole and Giovane d'Italia, the little boys in the black-shirted Balilla, and the bigger boys of 14 to 18 in the Avanguardisti. There was no question of normal children not wanting to join these troops, all their sports and playlife was centred round them.

At eighteen they might be admitted to the Fascist Party It was a great privilege; many applied, but few were accepted. Within the party and without they heard nothing but Fascist doctrine. All the newspapers were controlled by the party: they were all the same, the front page of each filled with verbally identical statements of Fascist policy and accounts of Fascist celebrations; the only difference between one paper and another was the serial story and perhaps the scraps of local news. All the university professors were Fascist in sympathy; in 1931 they were induced to take this oath: "I swear to be loyal to the King to his Royal successors, and to the Fascist régime, and to observe loyally the Constitution and other laws of the State: to exercise the position of teacher and to fulfil my academic duties with the idea of forming industrious citizens, upright and devoted to the Fatherland and to the Fascist régime. I swear I do not belong to and never wil belong to associations or parties whose activities cannot be reconciled with the duties of my office." Thus there was no chink in the armour of Fascist faith in which the young Italians were clad.

The Fascist creed may be summarized as follows: "I lieve in the State, apart from which I can never attain full anhood. I believe the sacred destiny of Italy to be the eatest spiritual influence in the world. I will obey the ce, for apart from obedience there is no health." This red was expounded by Mussolini ex cathedra. 1 He was rticularly clear on what Fascism is not. It is not intertionalism: "all international creations (which, as story demonstrates, can be blown to the winds when timental, ideal and practical elements storm the heart of beople) are also extraneous to the spirit of Fascism—even such international creations are accepted for whatever efulness they may have in any determined political uation." It is not Socialism: indeed, it is "the emphatic gation of the doctrines which constituted the basis of the -called scientific Socialism or Marxism: the doctrine of storic materialism, according to which the story of human vilization is to be explained only by the conflict of inters between various social groups and with the change of e means and instruments of production. . . . It also denies e immutable and irreparable class warfare which is the tural filiation of such an economistic conception of dustry." It is not Democracy as Western nations underand it: "Fascism denies that members, by the mere fact being members, can direct human society; it denies that ese members can govern by means of periodical consulta-ons; it affirms also the fertilizing, beneficent and unassailble inequality of man, who cannot be levelled through an trinsic and mechanical process such as universal suffrage." nd it is not Pacifism: "Fascism above all does not believe ther in the possibility or utility of universal peace. It erefore rejects the pacifism which marks surrender and wardice. War alone brings all human energies to their ghest tension, and imprints a seal of nobility on the peoples ho have the virtue to face it. All other tests are but

¹ In a contribution to the *Enciclopedia Italiana*. English translation blished by the Hogarth Press as *The Political and Social Doctrine of scism*.

substitutes which never make a man face himself in the alternative of life or death. A doctrine which has its starting point at this prejudicial postulate of peace is therefore extraneous to Fascism."

Church and State. The Italians who adopted the Fascis faith so readily were also of course Catholics, brought up in the Catholic faith. Could the two be reconciled? Mussolini in spite of what he said about war, believed that they could Pope Pius XI for his part was grateful to Mussolini for suppressing Bolshevism and Freemasonry, and for restoring religious teaching in the schools. The existing relations between the Holy See and the Italian State were recognized by both sides to be absurd. When Italy became a united nation in 1870 the Holy See was deprived of its lands and the Pope felt obliged to refuse to recognize the ruling House of Savoy and consider himself "the prisoner of a usurping power." To put an end to this anomaly Mussolin opened negotiations with the Vatican in 1926, and at last after discussions dragging over two and a half years, a Treaty and Concordat was signed in 1929. The Pope was recognized as the temporal sovereign of the Vatican State, a tiny walled city of a hundred acres and some six hundred citizens, and Catholicism was admitted to be the sole religion of the Italian State, which bound itself to enforce among its Catholic subjects the Church's laws regarding marriage and morals. In return "the Holy See declared the Roman Question definitely and irrevocably settled and therefore eliminated, and recognizes the Kingdom of Italy under the Dynasty of the House of Savoy, with Rome as the capital of the Italian State."

But the line between the things that are Cæsar's and the things that are God's is not to be drawn by a stroke of the pen. Within a few months after the signing of the Concordar Church and State were in dispute again over the thing on which each set most store—the right to teach the young. The Holy See complained that the Fascists, by absorbing the Catholic Boy Scouts into the Balilla were diverting boys

military training, and keeping them away from the rices of the Church. At fourteen the children took an h: "I swear to execute the orders of the Duce without cussion, and to serve with all my force, if need be with blood, the cause of the Fascist revolution." The Pope lared with some reason that "takers of this oath must ar to serve with all their strength, even to the shedding blood, the cause of a revolution which snatches the young m the Church and from Jesus Christ, and which incules in its own people hatred, violence and irreverence, hout respecting (as recent events have proved) even the son of the Pope. . . . Such an oath, as it stands, is illegal." issolini replied by ordering the Societies run by Azzione olica to be shut. Now Azzione Catolica was a Church instiion which organized recreation clubs for boys and girls, ning classes for adults, and social clubs for workers over Italy; its suppression would mean the loss of a at part of the Church's educative influence.

Throughout the summer of 1931 the deadlock continued. last a compromise was reached. Mussolini allowed zione Catolica to reopen on condition that the youths' bs confined themselves to religious instruction and did continue to organize games or recreations. In other rds, they were to abandon the side of their activities ich made them most attractive to the young. The truces a triumph for Mussolini: but he can hardly have agined that it was likely to lead to lasting concord ween the Fascist State and the Holy See.

reign Policy. It was not to be expected that the other ions of the world would look with approbation on the scist revolution. Not only had Mussolini thrown over system of parliamentary democracy, which was accepted the Powers at the Peace Conference as the last word in itical organization, not only had he indulged in a great of bloodshed and bombast, but he had also shown every lination to play an active and independent part in intercional politics. At the beginning of his "reign" he rapped

the knuckles of Greece, insisting on a heavy indemnity for the murder of five Italians in Corfu, and shelling the islam of Corfu—without reference to the League of Nations—untit was paid. He refused to accept the Allies' creation of Free State of Fiume, and made a private arrangement wit Yugoslavia, by which most of the province and part of the port became Yugoslavian, while Fiume itself went to Italy He upset the Allies' creation of an independent State of Albania by lending its wretched inhabitants a sum which they could never hope to repay, in return for which the accepted Italian financial and military control.

All this did not matter very much. The Great Power were not concerned about Greek knuckles, Fiume was not important now that it was a port without a hinterland, not could one feel much concern for Albania, a patch of mountains with less than a million inhabitants, and those the most barbarous in Europe. What did matter was

Mussolini's attitude towards France.

There were a million Italian subjects living as laboure in France; the French Government wanted no Fasci interference with them. There were more Italians tha Frenchmen in the French colony of Tunis; France wa naturally alarmed at Italy's claims to extended territory i Libya and North Africa in general. Worst of all, the Fascis opposed the French policy of alliance with the Litt Entente, which they called "a military alliance under French general." Mussolini wanted to build up Italia trade with Yugoslavia and Rumania. The chief partner i the Little Entente, Czechoslovakia, wanted to preserv these markets for her own exports. And France backe Czechoslovakia. Denied a clientele in the Little Entent Mussolini turned to Austria and to Hungary. Now that the was no question of those Powers threatening Italy as combined Empire, Mussolini was anxious to make wh profit he could out of posing as their protector. Hungar was willing enough—it was gratifying to find someone wh would sell her arms in these days when she was ringe round by enemies. Austria hesitated at first, remembering brutal way the 250,000 Austrians in the South Tyrol had deprived of their language and "Italianized" by c, but when her Catholic rulers found themselves atened by Prussian propaganda as well as by Viennese alism, they were not sorry to accept the support of nolic Italy, and to let the Heimwehr be organized on ist lines.

he real menace of Fascism to the rest of Europe lay in mabashed militarism. Mussolini developed the armat factories and stiffened the Army with the Fascist tia as shock-troops, and with an annual levy of some ooo conscripts—young men who were drafted into the sy for short terms of service on reaching the age of aty-one. He encouraged General Balbo to organize an ressive Air Force of 1,500 fighting planes, and he went is as to claim naval parity with France. Of course he was I in his insistence upon Disarmament, by which he erstood the right of Italy to be as strongly armed as any at Power (it must be remembered that before the sist régime Italy did not rank as a Great Power).

nomic Development. Mussolini had set out to make y self-sufficient. He went a long way towards success. 1932 Italy was producing enough wheat to feed her y million people; the Duce had stimulated production land-reclamation, by wholesale manufacture of ferers, and by patiently training the farmers in modern hods. The dependence upon foreign control was conrably reduced by building hydro-electric generating its, by distributing the current through a nation-wide system, and by electrifying many of the railways. The ort trades were built up by commerical treaties with ign Powers and by State-aid for industry; in one nch particularly—that of motor manufacture—Italy le a great name for herself and Italian cars enjoyed a station all over Europe as the most reliable products on market.

he secret of this economic development lay in the

central control over industry and commerce made possible by the structure of the Corporative State, in the centraliza tion of finance under the Bank of Italy, and in a hug programme of Public Works. There is a great deal to be said against heavy expenditure on Public Works, the main objection being that they are wasteful. Mussolini knew that and disregarded it. His object was to make Italy an efficient modernized State, and it was an object which Italian thought worth while to pay for. In the first decade of Fascist rule no less than 18,000,000,000 lire was spent or Public Works. This money went to quadruple the horse power of electric plants, to build 6,000 kilometres of roads 11,000 schools, and 50,000 tenement flats; a million lin went on new aqueducts, and 1,617,000,000 on rebuilding ports. It cannot be denied that Fascist rule made the bes of a bad job in rendering productive the poor land of Italy

But still Italy lacked iron, coal, oil, cotton and the other necessities of an industrial nation. These she had to import from foreign countries or their colonies. It was Italy's bitterest grievance that she had no rich colonie (Libya, Eritrea and Italian Somaliland were anything but rich). She had been promised African colonies by th Treaty of London, and Turkish Adalia by the Treaty of Sèvres, but neither promise had been fulfilled. And Ital was the only major Allied Power not to be given a colon of an ex-enemy power as a Mandated Territory. In he need Italy plotted to seize Abyssinia, a native empire lyin behind Eritrea and Somaliland and rich in all the fuels an raw materials that Italy most lacked. Since 1906 there ha been talk between France, Britain and Italy of dividin Abyssinia into "spheres of influence." Fearing aggression Abyssinia joined the League of Nations in 1923 and signed a treaty with Mussolini in 1928 by which each party agree to submit to arbitration any dispute that might arise be tween them. Accordingly in 1934, when an Italian force wa discovered at Wal-wal in Abyssinian territory and fightin

 $^{^{1}\,\}mathrm{Figures}$ from the Minister of Public Works' speech on the Budge Estimates for 1933–4.

ued between native forces and Italians, Abyssinia ealed to the League. None of this deterred Mussolini n his ambition to make Abyssinia an Italian colony.

e Fascist Dictatorship. As the price of emergence as a at Power the Italian people sacrificed what in demotic countries would be called their liberty. In 1934, lve years after the march on Rome, there was still no dom of speech, no freedom of the Press. The Grand cist Council was still the supreme directing body of the te. An extraordinary Court—the Special Tribunal for ence—established in 1926 for the trial of "anti-Fascist ences," still existed; its judges were Colonels of the itia and higher military officers.

Ieanwhile the Fascist Party itself had grown by 1934 a body of a million and a half men acting as a sort of i-official police, besides a large Women's Contingent, between two and a half and three million children youths. No other party, no political "Opposition" of

kind was tolerated.

The Fascist Revolution will have much to answer for at tribunal of posterity, but it will be able to plead this in defence: in place of the corruption and stagnation of -War Italy, in place of the dissension and humiliation post-War Italy, the Fascists put an Italy united and t, as proud of her present as of her distant past, and ensely hopeful for her future. The first of all Fascist ttoes—"Combattere, Combattere, Combattere"—had ried her a long way. A score of years ago Mussolini te in his newspaper, "If the neutral attitude conies Italy will be a nation abject and accursed . . . the rel-organ man, the boarding-house keeper and the shoeck will continue to represent Italy in the world; and world of the living will once more give us a little comsion and much disdain." The neutral attitude did not tinue, and the Fascist attitude which took its place used varied reactions outside Italy; among them there perhaps a little compassion, but certainly no disdain.

VI: THE QUICKENING OF SPAIN

A HISTORY beginning with the year 1918 is bound to It misleading. It must inevitably give the impression that the changes and chances of this wicked world were caused It the war. Actually of course they were the outcome of causelying much farther back in history, causes which the wardid no more than precipitate. The truth of this can best I illustrated from the history of a neutral nation.

Ever since the seventeenth century when she was th mistress of "the Empire on which the sun never sets. Spain had been in decline. She had exterminated he middle class-the Jews and Moors who were building v her commercial prosperity; she had sterilized her mo promising sons by ordaining them to a celibate priesthoo and she had expatriated her most energetic by sending the abroad on the impossible errand of holding together a overgrown Empire. Consequently the Enlightenment which brightened the rest of Europe in the eighteenth century le Spain in the dark, and the democratic revolutions of the nineteenth found but the faintest echo in the Peninsul That echo though faint was persistent. Half a dozen tim Spaniards in need of some degree of self-government su ceeded in imposing a Constitution upon their Bourbo Habsburg sovereigns. Once they expelled a monarch—t disreputable Queen Isabella—and elected a constitution ruler, Amadeo of Savoy; and when Amadeo proved failure the Cortes (Parliament) voted a Republic. But the Republic could not raise money to pay its servants and was opposed by the very classes who should have been i most staunch supporters, by the Catalans who wanted aut nomy and by the peasants who wanted land; in Decemb 4 it collapsed after a brief and inglorious existence of nty-two months.

e Monarchy: its Friends and Enemies. irbon-Habsburgs were restored in the person of Alfonso I. There was a Constitution of course, the King must ern through his ministers who were responsible to the tes; but the elections of the Cortes were invariably ed by every method known to Spanish ingenuity—false irns, intimidation, bribes, miscounts and the rest. When onso's posthumous son reached the age of sixteen and k the solemn oath to keep the Constitution, in 1902, iniards hoped for better things. But Alfonso XIII had n brought up among priests, soldiers and nobles knew no other friends. These three forces of Church, ny and Nobility were enough to keep the rest of in in subjection. The Church had quite peculiar vileges: besides being the largest landowner and the est corporation in the kingdom it had control of the ole educational system; it took its educational duties ously but not half the men and women of Spain were ght to read or write. The Army too held a peculiar ition: when the Spanish-American War of 1898 ended he loss of the last of the Spanish overseas Empire, the cers were maintained as a privileged caste in Spain. The itary budget was increased and most of it was spent on cers' salaries—one member of the army in every seven an officer. As for the nobles, or landowning class, they almost feudal rights; they might arrange the terms of ir leases to farmers and might cultivate or neglect their ates as they chose. Many of them were content to develop ir land just enough to secure an income for themselves in total disregard of the welfare of the community in eral and of the labourers in particular; on some of the at estates peasants worked for nothing but their keep, I on most for no more than three pesetas a day. n spite of these formidable allies the old régime was not

a spite of these formidable allies the old regime was not a secure position. Its enemies may be divided into three

groups. First there were the Intellectuals, the leading university professors, who to Spaniards-the people of a the world most susceptible to the sway of ideals and th spell of personality—assumed the proportions of national prophets. Miguel Unamuno, the patriarchal Rector of Salamanca University, and José Ortega y Gasset, the youn professor of metaphysics at Madrid, led an intellectua renaissance which went far to open the eyes of the younge generation to the possibilities of a nation united in spir. and strong in liberal institutions. Secondly there was th force of regionalism. Racially Spain is not a united nation the Catalans of the east and the Basques of the north-wes to name only two minorities, have each their own language and traditions, distinct in every way from those of the Castilians of Madrid. They would long ago have followed Portugal into independence were they not economical dependent on the great Castilian plateau. The Catalan had actually been promised autonomy in some of the ear' Constitutions, but promises had been followed by repression and repression by increased antagonism; it would nee heavy concessions by Alfonso XIII to make them lov subjects of Madrid. Thirdly there was the Labour Mov ment. Strictly speaking it was not a movement at all, for the workers were striving in so many different directions the their efforts led to a state of high tension but to no progre at all. Some were Syndicalists wanting government great corporations of workers and peasants, some we Socialists wanting a Central Government owning the meat of production, a few were Communists and a great man were Anarchists. What the Anarchists wanted it is difficu to say: they talked of abolishing all coercive authority, ar acted by murdering employers and ministers and attempt ing the murder of Alfonso. The Syndicalists were stronge among the iron workers of Bilbao and the textile and oth operatives of Barcelona; they ended by making an allian with the Anarchists and forming a "National Confeder tion of Labour." The Socialists were strongest in Madr and had the Trade Unions and the "General Union

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orkers" behind them. The Communists were strong where.

Such was the condition of Spain in 1914: a poor sparsely bulated country owned by conservative landowners and bitalists, taught by a conservative Church, policed by a servative Army, and threatened by radical professors, ionalists and bitterly divided workers. The strength the monarchy lay in the fact that its allies were united d its enemies not.

When the World War broke out Alfonso did a thing for ich he deserves the praise of posterity : he kept Spain itral. He had every excuse for declaring war on either e; his mother was Austrian and his wife English; a art faction wanted war against the Allies, and the inteltuals wanted war against the Central Powers namuno, Ortega, a young playwright and civil servant led Manuel Azaña and others even sent a delegation to ris. But Spain remained neutral and made a fortune t of it. Orders flowed in from every country, Spanish lustry under this sudden stimulus organized itself on dern lines, employers became millionaires, employees d a first intoxicating taste of high wages, and Spain erged into the post-war period in a state of most enviable osperity. The war had given her a favourable trade lance, had quadrupled the gold reserve in the Bank of ain and had enabled the Government to wipe off most of external debt. Nor did the boom end with the war; ain enjoyed a full share of the general boom of 1919 and 20.

The unexpected prosperity upset the delicate social lance of Spain. Sudden industrialization led to a vast rease of labour unrest. Strikes broke out all over the antry; in 1917 a most serious strike was followed by the rest of the leaders, who were condemned to perpetual prisonment, but so great was the public outcry that they re liberated and at the next elections were triumphantly urned to the Cortes. In 1921 when a slump came and eign orders fell off and workers had to be dismissed and

wages cut, the unrest became critical. Alfonso saw only one way out, the old way so dear to mediæval monarchs a small war against an insignificant neighbour, a military expedition which would divert public attention from in ternal troubles. Alfonso's plan was for a sudden offensive against Abd-el-Krim, who was leading a revolt of the tribesmen of the Rif Mountains against the Spanish con quest in Morocco. He took a personal part in planning th offensive, appointing a subordinate general, Silvestre, t command it and corresponding directly with him over th heads of superior officers. A magnificent expedition mad its way into the Rif Mountains in the summer of 1921 And in July, at the battle of Anual, it was routed by Abd el-Krim, routed and disgraced beyond any hope of cor cealment: ten thousand Spaniards were killed, fiftee thousand taken prisoner, Silvestre committed suicide, an the whole equipment of the expedition was captured.

The scandal of this failure could not be hushed up; Commission of Enquiry was eventually appointed and ther seemed every probability that the King's responsibility for the débâcle must sooner or later be exposed. Alfonso ker his head. He knew that there was a Captain-General Catalonia who was anxious to make himself Dictator. Prim de Rivera, the Captain-General, was popular with the moneyed interests in Barcelona for his suppression of anarch ists (who had murdered 160 employers in that city alor in 1922-23); he was popular with the Army; he had no been involved in the Rif episode. Alfonso quietly pave the way for a coup d'état by Primo de Rivera. He forced the resignation of the civilian Minister of War, Alcalá Zamor he brought pressure on the Foreign Minister to leave Spain he refused to allow the Cortes to meet. On September 1 1923, Primo de Rivera proclaimed a Directorship-not Dictatorship, that would be too crude, but merely the temporary suspension of the Constitution and the directic by himself of the governmental machine until better tim should come. Then Alfonso accepted the fait accompli; the responsibility for the breach of the Constitution and f THE MONARCHY: ITS FRIENDS AND ENEMIES 99

at was to follow would rest with the General, not with Crown.

e Dictatorship, 1923-29. Primo de Rivera made a st excellent Dictator. He was a big, bluff Andalusian, a er and a worker and a leader, generous and shrewd l ignorant—the sort of personality most likely to appeal an illiterate, hero-worshipping people sick of lobbying ticians and spineless government. He established himself a national hero by avenging the disaster of Anual. In 5 he made an alliance with France for a joint attack on Rif; the French bore the brunt of the fighting and 1-el-Krim surrendered (see page 364). Primo de Rivera ld now turn to more constructive work. He helped the ustrialists out of the slump by protecting their industries inst foreign competition. He gave employment by sh expenditure on public works, especially on roads and ways which improved the value of the agricultural ites whose products found new markets through the new asport facilities. He made a clean sweep of the old gang politicians:

Men like the new Minister of Public Works, Don fael Benjumea, who for his expertise and enterprise in nning the great hydro-electric light and power scheme Malaga had been ennobled as the Marquis of Guadalce, or the new Minister of Finance, Don Calve Sotelo, e a novelty in Spanish politics. Given a very free hand expenditure, the Minister of Public Works made the face pain the curious mélange that it is to-day of mediævalism modernism. Where one village conducts scientific iculture with light and power from the high-tension ply of a hydro-electric plant that would be the envy of perica or Russia, and the next keeps its Roman oil-lamps, Iberian ploughs and its Moorish irrigation. Where hkey pack-trains patter over a network of speedways that the joy of the foreign motorist, and the country people to market, some in comfortably cushioned motor-buses I some on gaily caparisoned mules. Where oases of

modern irrigation, afforestation and intensive cultivation adorn like jewels the naked beauties of bare despoblanda and arroyo. The railways got new rolling stock and rails and rail to time. The ports were re-equipped and shipping delay reduced. The telephone system was extended and equipped with automatic exchanges. The ancient River-Guilds with their collective control of water rights were reorganized with Charters as Hydrological Confederations (1926), and led by the Confederación del Ebro extended everywher enterprises for irrigation, electrification and sanitation . . The financing of this national re-equipment was abl attempted and might have been achieved had the syster survived. It was affected partly by exploiting the economi power of the State in monopolies; partly by pressur against tax evasion, especially in the land taxes (Decree Jan. 1, 1926); partly by raising tariffs and prices, partl in the end by borrowing from foreign banks. For Spain credit abroad was greatly improved by the initial success (the Dictatorship. And as the drain of the Moroccan Wa was ended and the debts of the new enterprises were not ye due the Budget that had been annually in deficit wa nominally balanced in 1927."1

Between Primo de Rivera's Dictatorship and Mussolini there are obvious parallels. In October 1923—a year after the March on Rome and a month after the Spanish coup, the General paid a visit to the Duce: "You are living through what we are living through," said Mussolini, "as we have lasted out you will last out." The methods which Primede Rivera subsequently adopted might well be called Facist. He created a party of young middle-class men, the Union Patriotica, which was not unlike the Fascist Party. I 1926 it became apparent that the General intended supersede the Constitution of 1876 by a Corporative State His Council of Ministers was composed of U.P. men are of two eminent soldiers. The Labour Law which he decree in December 1926 strongly resembled the Italian Labour Charter of 1927, for it divided the trades and professions

¹ Sir George Young in The New Spain.

pain into twenty-seven potentially self-governing Corporions. He began to organize elections for a National postituent Assembly which was to consist of elected unicipal deputies and provincial deputies and of nomined U.P. men, Government officials and "celebrities" om various walks of life. His foreign policy, too, showed e Mussolini touch, especially where the League of Nations as concerned. When there was a question of Germany's ring granted a permanent seat on the Council he claimed similar right for Spain, and when his claim was refused tired from the League in a huff, for two whole years. Then protested against the international régime of Tangier ad managed to secure fuller Spanish representation on

e governing body.

The parallel between the Spanish Dictatorship and the alian was more obvious than real. Primo de Rivera's overnment lacked the very life-spring of Fascism: the irit of the nation was not behind it. It was a reconstrucon, not a revival. At the very beginning it was popular ith all classes because anything seemed preferable to the d gang; later it remained popular among capitalists and ndowners because it put money in their purse. It never ally captured the imagination of the people. The intelctuals opposed it and the General replied by banning eir newspapers, shutting their clubs, dismissing their aders from the university chairs and exiling Unamuno nd Ortega and others; when they returned they were vowed Republicans. The Catalans opposed it—the eneral had forbidden the teaching of their language in e schools and had lumped the Separatist leaders together ith Syndicalists and Communists, as outlaws. The Army egan to drift into opposition, sick of the Special-Constable ble it was being made to play; there was actually a rising f the artillery corps against Primo de Rivera. The ordinary an soon began to hate the Dictatorship; he was spied pon, his letters opened, his telephones tapped, his whole fe complicated by a hundred petty restrictions. Only the hurch remained a staunch supporter of the General, and

this support merely increased his general unpopularity. When he proposed to give the diplomas of certain Catholic Colleges the status of University Degrees there was such an outcry among undergraduates that the proposal had to be dropped.

The day of reckoning came at last. In 1929—the first year of the world slump—the peseta, weighed down by the public works expenditure, began to fall rapidly; it was obvious that Spain was in for a financial crisis. The country was clamouring against the Dictator. The Army refused to pass a vote of confidence in him. And Alfonso realized that the time had come to drop the pilot. On January 28 he asked for Primo de Rivera's resignation; and the General

exhausted by eight years' herculean work, gave it.

Alfonso's immediate anxiety was to dissociate himself in every way from the policy of the Dictatorship. He an nounced that the Constitution was restored and appointed new Ministers. But the new Prime Minister, Berenguer, was another General, and the people saw no difference between the Government of Primo de Rivera and the Government of King Alfonso and Berenguer except that the latter was less efficient. The new régime was a failure, and its failure mean the fall of the Crown. For the first time the various radical elements in the community began to combine. The intelle lectuals, who now called themselves Republicans, cam to an understanding with the Catalan Separatists in the summer of 1930: there would be a revolution and Second Republic would be established with a Constitutio giving home-rule to Catalonia. Then a third revolutionar element joined the conspiracy: in October the Socialis leaders signed a pact with the Republicans. Some of the Army officers were sounded: they seemed willing enough to join.

The Revolution. The revolution was timed for Octobe 28, but news of it began to leak out in the Madrid paper and the Government ostentatiously organized resistance. The day was postponed—until December 15. Again there

s a set-back: three days before the appointed time a uple of officers in the Jaca garrison, unable to control mselves any longer, hoisted the flag of the Republic. ey were arrested and, very properly, shot. Their fate couraged other garrisons and on December 15 the Army not "come out" as arranged, nor was there a general ke in Madrid. In the provinces there were strikes and ts in plenty but they were easily broken: sixteen cialists were killed and nine hundred and fifty-two prisoned. The Republican leaders were shut up in the odel Pson of Madrid. Here they formed a Revolutionary buncil nd drew up a basis for their projected republic ich came to be known as the "prison programme." So neral was the support they received from outside the son that the Government felt obliged to negotiate with em. It was arranged that "free" elections for a new ortes would be held, to be preceded by equally free local ctions. The prisoners were released and Republicans and cialists joined forces, making it clear that a vote for one their candidates at the municipal elections meant a vote a Republic.

Now it was the Republican factions that were united and a Monarchist factions that were not. The results showed reeping Republican gains in the towns. Alfonso shrugged shoulders, and proposed to wait for the verdict of the present elections. But events moved too fast for him. The ommander of the Civil Guard, General Sanjurjo, refused be responsible for the loyalty of his troops. The Retblican leader, Alcalá Zamora, announced his terms: e King must leave Spain on April 13. In the evening the couplic was formally proclaimed in Madrid and at night

fonso fled the country.

It was a strangely peaceful revolution. The Monarchists it up no resistance, the Army had already deserted the rown and the Primate of the Church fled to Rome. On e revolutionary side there was no vindictiveness; the oyal family was allowed to leave the country unmolested in the only people to suffer violence were the Jesuits and

monks who had infested Spain under the patronage of the monarchy. Some two hundred church buildings were burned and gutted, but the Church escaped lightly for not a single priest was killed. The Spanish people quietly elected the new Cortes to draw up the Republican Constitution which would of course satisfy all complaints and establish Utopia for every class of the community.

The Republic: Constitution and Reforms. The Republican Constitution which became law in December 193 was a compromise. It was bound to be so for the faction which had agreed to abolish the monarchy could agree or very little else. The new Government was composed c Liberals of varying shades of opinion and of Socialiststhe latter being in a minority. The Constitution contained many soundly Socialist precepts; it began with the declara tion that "Spain is a workers' Republic" and went on t give special recognition to organized labour; it was also remarkably internationalist in tone for it insisted (Article 7 that "the Spanish State will accept the universal norm of international law incorporating them in its positive law, and added (Article 65): "All international agreement ratified by Spain and incorporated with the League of Nations, having the character of international law, sha be considered an essential part of Spanish law which sha accommodate itself to them." But on the whole it was n more advanced than the German Constitution of 1919 an other post-war attempts to give expression to British cor stitutional practice. Legislative power was vested in a elective Cortes of one Chamber to which the Cabinet wa responsible: the President had a limited right of veto an no real power: a Tribunal of Constitutional Guarantee was set up to defend the rights of individuals and of region These regions were given the right to apply for a sel governing statute. In brief, the Constitution was to mea anything or nothing according to the statutes which shoul subsequently be passed by the Cortes.

And here the trouble began. What was to become of the

Dhurch? The leader of the Government, Alcalá Zamora, nd the Minister of the Interior, Maurer, were practising Catholics and opposed to attacks upon the Church. The Socialists wanted to confiscate the Church wealth. In October Zamora and Maurer resigned, the former to be nollified with the decorative and powerless position of President of the Republic. It was left to the new leader of the Government, Azaña, who was to prove himself a most ubtle and effective statesman, to work out a compromise. The Church was forbidden to take part in education; it was forbidden to take part in trade; it was deprived of the state grant for priests' stipends. But the Religious Orders vere not expelled from Spain and most of them continued heir work unmolested. Even the Jesuits, who were most renerally loathed, were not seriously persecuted; their ociety was declared "dissolved" and property worth six nillion sterling was confiscated, but most of the three housand Jesuit priests, novices and lay brothers stayed in spain and fourteen million pounds of theirs which was rested in private persons was not touched. Clericalism emained a strong force in Spain, and the Constituent Cortes had no hesitation in giving the vote to women, hough it was generally supposed that their vote would be influenced by priests.

Then there was the Catalan problem. An independent Catalan Republic had been proclaimed by Colonel Macia carly in 1931. This was all very well for the cultural aspirations of Catalans, but it would not help them to earn their laily bread: their capital, Barcelona, was the industrial capital of Spain and they were economically as dependent on Castille as Castille on them. Obviously they must have some federal connection with the Madrid Government. A compromise was reached in September 1932 when the Madrid Cortes conferred upon Catalonia the Status of Generality with its own Parliament, Executive Council, and President. No one imagined that this was the end of the rouble. The Catalan question was bound up with the whole regional question and the solution which seemed so simple

on paper—an Iberian Federation consisting of Castille-Catalonia, the Basque provinces, Andalusia, Portugal, and semi-Portuguese Galicia—was still very far from realization

In spite of compromises the Republic did more for Spain in eighteen months than the monarchy in half a century The army problem was solved smoothly and quickly by Azaña. He gave the officers generous pensions for early retirement and so got rid of 10,000 out of 22,000 of them and he passed an Act subjecting officers to the same laws a civilians. The old bogey of a privileged military caste wa laid for ever. The education problem was tackled squarely by the Socialist Minister, de los Rios. Spain, as we have said was an illiterate country in which half the people could neither read nor write; in 1930 there were 45,000 children in Madrid receiving no schooling at all. The minister wa handicapped by lack of money, though the Budget allowed him three times the sum usually allocated to education under the monarchy, and he had to train teachers before he could open new schools or banish the clergy from the old ones. Yet he was able to report in December 1932 that he had opened 9,500 new law schools and had raised teachers salaries by 50 per cent.

The economic problem was more difficult. The Republic could not hope to do much for the Spanish export trade in a time of world depression, but it was able to continue the work of Primo de Rivera to make industry more efficient It re-established the Dictator's Planning Commission, i carried on his electrical power schemes, it nationalized the railways and it brought the Bank of Spain under Government control by appointing Government nominees to its board of directors. And it was able to do something for the workers by adopting the eight-hours' day, providing sickness and accident pensions, and setting up Mixed Juries of workers and masters to settle terms of employment. Industry was less important to Spain than agriculture. Here the problem was twofold: in the north the land-holdings were too small to be economical, in the south they were too large The Republican Government brought the small-holders

nder "Communities" with the right to decide by ajority vote whether their holdings should be worked ellectively, and the Communities were put under the linistry of Agriculture and given State credit for fifteen illion pesetas. The great estates of the south might well ave been brought under Government control, but vested terests proved too strong. The estates of the Crown and most of the Grandees were confiscated, but there mained vast tracts which defied confiscation and remained

hly half developed.

Yet taken all in all the Republic made a good start. t a time when other nations were increasing armaments, ducing salaries, and supporting millions of workless men. pain had reduced her army, increased salaries and wages nd kept her unemployment figures down to half a million. nd the Republic had proved itself strong enough to withand thunder from the Left and from the Right. The puble on the Left was the old explosive force of Anarchism. he Spanish anarchists had inherited a tradition of rrorism and of resistance to any form of authority. Now ey were working in some sort of collusion with the organed Syndicalist Trade Unions. In January 1932 there were rious anarcho-syndicalist risings in Catalonia and in ville which were put down only after serious bloodshed. hat storm passed, but the explosive forces remained. very failure of the Socialists to control the Cortes sent ore workers out of the Socialist Unions into the Anarchist d Syndicalist ranks. The thunder from the Right was mparatively harmless. In August 1932 General Sanjurjo, e very man whose desertion of the Crown had hastened e fall of Alfonso, proclaimed himself Captain-General of ndalusia and head of a Provisional Government at ville. The Army was not impressed, the soldiers remained val to the Republic and the volatile General was put in ison.

Having survived these shocks Azaña's Government felt e, in August 1933, in repealing the Law of Defence of Republic which had suspended the Constitution's guarantees of individual liberties in order to give the Republic a firm hand against terrorists.

Reaction, 1933-34. But if the Republic was safe the principles for which it stood were not. The Revolution of 1931 was made in the old cause of Liberty by Liberals and Socialists, the former thinking of spiritual liberty, the right of all men to education and the free expression of opinion. and the latter of economic liberty, the use of means of production in the interest of all rather than in the interest of private owners. If the Revolutionary Government had taken a really firm line in 1931 and 1932 it could have put the Church out of action as an enemy of spiritual liberty and expropriated the industrialists and landowners. Rightly or wrongly Azaña and his followers felt that such coercion and the bloodshed it would entail was not justifiable in the cause of liberty. They preferred to go to work steadily on their reforms, trusting to popular support to keep them in power until the reforms were completed.

Popular support usually goes to the party that promises quick returns; the Socialists in the Azaña ministry had gone far enough to antagonize capitalists, but not far enough to win over the whole working class. In the autumn of 1933 a formidable alliance sprang up to fight them in the coming elections. It called itself "the Anti-Marxist Coalition" and consisted of the strong Agrarian Party led by Gil Robles which stood for "the preservation of landed property and the defence of the Catholic religion," the Basque Nationalist Party which had been created by priests in the nineteenth century and had always wanted to see a (Carlist) branch of the royal house ruling Spain, and the so-called Radical Party led by Lerroux which had the support of bourgeois and property-owning classes. In the elections that followed priests exerted themselves to win the women's vote for the "Anti-Marxists" and Lerroux became Prime Minister. His policy was quite simply to undo all the anti-Catholic and anti-Capitalist work of the Revolution. The methods he proposed were:

(1) To resume payment of State subsidies to rural clergy.

(2) To close no more primary or secondary schools conducted by members of religious Orders.

(3) To abolish the Law confining workers to the districts in which they were registered (the old system of moving workers in gangs from place to place had the double advantage of breaking strikes and providing electoral majorities wherever such were needed).

(4) To abolish the Law setting up Mixed Juries for labour

From the beginning of 1934 onwards Spain was drifting

disputes.

wards civil war. The union of the Right-Wing parties in e "Anti-Marxist League" and the announcement of erroux' reactionary policy led to a combination of all the arties of the Left in a union vowed to defend the early epublican legislation by insurrection if necessary. This reat led to the resignation of Lerroux in April, but his accessor, Samper, was every whit as antagonistic to the eft wing. In the course of the summer the Catalans joined ne Left Alliance: they had passed a Bill against landlordism, crmitting peasants to buy their land after eighteen years of ontinuous cultivation, and this had been over-ruled by the ribunal of Constitutional Guarantees. In September the eft Alliance was completed by the entry of the Communists. There was insurrection in the air when the Cortes resembled on October 1. Nothing could have averted it keept wholesale concessions. The Right refused to yield n inch. Samper resigned to make way for Lerroux, and the tter threw down the gauntlet by adding three Catholics his Cabinet. The challenge was accepted: on October 5 ots broke out all over Spain, reaching their climax in arcelona and in the Asturias. The army and police mained loyal to Lerroux, the insurrection was put down nd the Left Wingers retired to lick their wounds, re-collect reir forces and to contemplate the Catholic Capitalist overnment cutting the claws of the legislation of the iberal-Socialist Constituent Assembly of the Republic.

VII: THE DIFFICULTIES OF GREAT BRITAIN

THE HISTORY of Great Britain would be better understood if there were no maps; the seas which separate the islands from the continent give a misleading impression of isolation and self-sufficiency. Great Britain is more closely connected with the outside world than almost any other nation; economically she is the most dependent of the major Powers. She does not grow half enough food to feed her forty-five million inhabitants, she does not produce more than a fifth of the raw materials of her industries. The United Kingdom must buy food and materials from abroad, and there is no question of her relying solely upon the Empire—little more than half her imports come from imperial sources; she has to rely not only on the Empire but on foreign nations in Europe, Asia, Africa and America for the necessities of life.

To pay for food and raw materials Great Britain sells manufactured goods and minerals: cotton goods above all, then iron and steel, machinery, coal, woollen goods and chemicals. One person in five of the occupied population is working for the export trades, yet there are never enough exports to pay for the imports. The balance must be made up by performing services for foreigners—by shipping, by banking, moneylending and insurance work and by the investment of British capital overseas. The importance of these "invisible exports" can best be illustrated by figures: the Board of Trade estimated that in the year 1929 Great Britain's income from shipping was £130 million, from short interest and commissions £65 million, and from interest on overseas investment £250 million.

This dependence on foreign markets makes Great Britain nsitive to every economic shadow that passes over the face the earth. Smoke from a new foundry in China darkens e prospect for English iron-workers; the sinking of a new aft in a Polish coal-field makes heavy the heart of English ine-owners and shippers; bankruptcy in Argentina or in ustria, in Russia or in Peru, means loss of dividends for nglish investors and loss of orders for English industrists; and empty pockets in Germany mean empty larders England—for what Germans cannot buy some English anufacturers cannot sell and so must cut down expenses in dismiss workers. Great Britain is dependent on the utside world: her hope for the future is that the outside orld should continue to be dependent upon her.

ost-War Depression. When the Armistice was signed Englishman doubted that his country would resume her re-war position as the wealthiest of nations, the factory and e banker of the world. A wave of optimism swept over e country: buyers releasing the tension of four long years oured out their savings in indiscriminate spending: kings swelled and trade boomed. The optimism lasted for ver a year, and then it began to be realized that all was ot well after all. Men could not find work; in January 121 there were over a million unemployed. Something ust have gone radically wrong. In cold fact each of reat Britain's four great sources of revenue was drying up. er exports were falling. Foreign countries had less need of ritish manufactured goods, they had begun even before te war to set up industries for themselves and the war had astened the development; Japanese and Indians had uilt their own cotton mills, Australians were weaving the ool of their own sheep; there was less demand for British pal—Germany had just delivered two million tons to rance by way of Reparation-payment, and France not ceding so much had sold coal cheap to Holland, the candinavian countries and Italy who were accustomed to uying from Great Britain. Shipping suffered with the

coal industry; reduced coal exports meant reduced freights for outgoing British steamers. It is true that by confiscating the German mercantile marine the British had secured the luxury passenger traffic across the Atlantic (the German ships appeared under new names as the Berengaria, Homeric, Majestic) but this meant loss of contracts for British shipyards; in 1921 two-thirds of the men engaged in the ship-building industry were out of work. Britain had lost, too, many of her overseas investments; in Russia for instance the Bolsheviks had repudiated all debts incurred under the Tsarist régime and by 1921 Great Britain had given up hope of expelling the Bolsheviks by force. Finally, a great deal of the financial business of the City of London had been lost during the war to New York, which was fast becoming the banking centre of the world.

It was a sad situation but nobody thought it very serious. Given time the world would shake down to peace conditions and Great Britain would return to her pre-war supremacy. Lloyd George gradually withdrew the Government control over industry that had been imposed during the war, and then cajoled his Coalition into passing a few mild but startling reforms. He suggested some tariffs in the 1919 budget and in 1921 passed a Safeguarding of Industries Act to protect "industries indispensable in the event of another war" and to make it difficult for countries with depreciated currencies to sell goods in England. He made a commercial agreement with Russia whereby England swallowed her pride in the hope of making a little money out of trade with the Soviets; in this supper with the Devil England kept a long spoon, stipulating that the Soviets should refrain from propaganda against British capitalism. And he did something for the unemployed. Back in 1911 Lloyd George had adapted from Bismarck an insurance scheme by which the employees, the employers and the State each made a contribution to a fund out of which premiums were paid to men who failed to find work. The fund was adequate for normal conditions but with the million unemployed of January, with the nearly two

ions of July 1921, it could not deal; such figures seemed those days fantastically abnormal. Lloyd George eased the State's contribution to the fund and so vided a pittance for insured workers for fifteen weeks of mployment. This "dole," as it was unhappily called, enough to keep the workers from starvation and from ughts of revolution; but it did nothing to cure the basic eases of England's economic condition.

y 1922 the Conservatives had had enough of Lloyd orge. A brilliant opportunist of his calibre was the very a to lead the country through a war, but he was not in r opinion and in the opinion of Liberals in Asquith's owing steady enough for a peace-time leader. They adrew their support and a Conservative Ministry was ned backed by a strong majority at the elections 922.

e Recovery of the City. The Conservatives had a plan. their view the first necessity was to restore the position of adon as the banker of the world. Once that supremacy re-established, and once English money was being

ested profitably on the old scale in foreign countries, the incial recovery of the country would be complete. Even export trade would revive again, for the increased ue of money would mean lower prices which in turn ild lead to lower wages, and if the industrialists were ring lower wages they could sell their goods more aply abroad. As for the home market, it would need tection by tariffs from foreign goods turned out by too-ap foreign labour.

t was an attractive plan but things seemed to go wrong h it from the first. England owed a huge debt to the ited States and was herself owed a huge debt by Euron countries. In 1922 it was hinted in the Balfour Note t England would excuse her debtors if America would te off England's debt. The United States declined to the hint and in negotiations with Baldwin in the early nths of 1923 fixed the English debt at £2,200 million,

which Baldwin agreed to pay off in instalments of 3 per cent for the first ten years and $3\frac{1}{2}$ per cent for the following fifty-two years. England had saddled herself with a huge debt to be paid largely by taxation, the weight of which would fall on industry, which would thus be put under heavy and lasting handicap.

The Conservatives were not unduly depressed; the cloud had a golden lining. By agreeing to pay her America debt England had won back her reputation for stability and honesty. The next step was to return to the Gold Standard by bringing the pound sterling up to the same value is relation to the dollar as it had held before the war. The would mean heavy sacrifices because England was not really as well off now as the United States. But it kept us appearances and the confidence of the world in the City of London returned. London was once more the world banker.

The First Labour Government. Before April 192 when the Gold Standard was officially re-established Corservatism had suffered a set-back. Baldwin had wanted timpose additional tariffs and felt that he should make certain first of the country's consent. At the elections of 192 the Conservatives won 258 seats, the Liberals 157 and the Labour Party 191. Both the latter parties were opposed traiffs, and because their combined strength was greated than that of the Conservatives Baldwin had to resign A Labour Government came into power, supported by the Liberals.

It was a startling thing for aristocratic England to be ruled by a Labour Party, particularly startling for he Prime Minister to be Ramsay MacDonald, a Highland crofter's son who had been a notorious Socialist before the war and during the war a pacifist and an advocate of a lenient peace. But the Labour Party which he let was not Socialist in any Moscow sense; its support latin the members of the Trade Unions, and the wanted to retain the capitalist system modified only by

her wages, shorter hours, State ownership of the railways mines, and a levy on capital. Even these mild reforms cDonald was not in a position to put through, for they c opposed by the Liberals and without the Liberal vote could do nothing. The only remedy for the slump which was free to apply was to lend money to Germany and sia so that those countries could afford to buy British ds. For the economic revival of Germany he secured the fication by Parliament of the Dawes Plan. But public nion was against his Russian policy, passionately inst it. It was one thing to make money out of the sheviks by trade but to trust them to pay back British is was quite another. A terror of Bolshevism, reminiscent he Popish terrors of Stuart days, swept over England. cDonald was forced to appeal to the country.

on the eve of the elections the Foreign Office produced opy of a letter purporting to have been written by the shevist leader Zinoviev urging Communists in England preach revolution. This doubtful document was pubed with alarmist comments in the newspapers. The de Unionists were unimpressed and returned 151 pour members, but other electors saw red and deserting

Liberals who had flirted with MacDonald and ocialists" stampeded into the Conservative camp. dwin returned to power with a large majority over all er parties combined.

e Strike of 1926. The old problem still remained: v was England to get back her pre-war sources of enue? The return to the Gold Standard meant money City financiers but it meant hard times for the induslists. England had agreed to pay twenty shillings for ry pound she owed while other countries were paying mere fraction of their debts—France for instance paid y twenty centimes in every franc. The money had to be nd by taxation, which meant higher costs for English ods and still less orders from impoverished Europe. Yet re was an immediate necessity to reduce those industrial

costs somehow. All sorts of methods were suggested be only two seemed obviously practicable. The first was cut down wages. In England wages were relatively high be not so high as in the United States, whose industrialists we none the less able to compete successfully with English producers. The second was to make English industry moefficient by reorganization. The great exporting industrice were still organized on the individualist lines of the nin teenth century; in the Lancashire cotton business no let than 700 spinning and 1,200 weaving companies were competing with each other, the iron and steel industrice were antiquated in comparison with those of America are Germany, and the coal industry had to earn royalties are profits for 1,400 independent coal producers, many of the operating mines too poor ever to be worked economically Clearly there was room for reorganization.

The crux of the problem lay in the coal industry, when the owners were as strongly opposed to reorganization as the miners to wage reduction. In 1921 the miners had threa ened a strike and the great Unions of Railwaymen an Transport-workers had agreed to stop work in sympath with them. On that occasion a general strike was averte by Lloyd George's skilful dissuasion of the two Union from their sympathetic strike, but the miners stopped wor on April 1 and stayed out till July 4; the total cost of th stoppage to the State was estimated at £250,000,000. I 1925 the quarrel arose again. This time it was the owner who took the initiative by announcing a cut in wages t begin in July. Baldwin came to the rescue by granting th industry a subsidy (which was to cost £24,000,000) t carry it over until the following April, by which time it we hoped that the dispute with the miners would be settled But it was not settled. A Royal Commission of inquiry wa appointed; it reported that the mine-owners were bein paid too much in royalties and the miners too much i wages. The Government took no notice of the recommenda tion that the royalties should be nationalized but supported the owners in demanding a 13\frac{1}{2} per cent cut in miners ces. The Trade Union Congress supported the Miners' eration and threatened a strike unless the mine-owners e in by May 3. The Government insisted that this at should be withdrawn. A deadlock followed, and on morning of May 4 the strike began. Nearly one-sixth of working population of England, Scotland and Wales at on strike. It was not by any means a general strike—workers in essential services such as sanitation, domestic ting and retail food distribution stayed at work—but situation was serious enough: with no dockers working no trains running England would soon starve if food plies could not be distributed from the ships in the ts, and with two and a half million workers on strike ing might break out at any moment.

he marvel is that there was no fighting. Tanks were ved up to London and ships and soldiers were posted at tegic posts and 250,000 special constables were ened, but the strikers preserved a laconic good-humour awaited developments with hands in pockets. Soon appeared that the Government held the whip hand. ey controlled the B.B.C. and published a news-sheet. public began to look on strikers as blackguards and A. J. Cook, the miners' leader, as the devil incare. Of the other side of the case the public heard hing. The middle class rallied to the Government in spirit of Fascism at its best and there was no diffiy in finding volunteers to unload the ships and run an ergency service of trains, lorries and buses. The strikers everything against them, even the law: on May 6 John Simon, one of the greatest lawyers of the day, lared that every working man who went on strike was le to be sued for damages and every leader "who rised and promoted that course of action was liable in nages to the uttermost farthing of his personal possesns," and on May 11 his opinion was confirmed in a gement given by Mr. Justice Astbury that the strike was legal and contrary to law." And so on May 12, nine s after the strike had begun, the Trade Union Council gave in unconditionally. All except the miners went bacto work.

In the general relief at the passing of a revolutionar situation it was forgotten that nothing whatever had bee settled. The country had lost perhaps £150 million by the stoppage and, what was much worse, it had lost the opportunity of reorganizing her industries on lines on which ever other manufacturing country had reorganized its industries since the war. As for the coal mines, they remained at standstill until December, for the miners held out for seve months after their desertion by the Trade Union Council Then they had to accept the reduced wage.

The Commonwealth. Great Britain remained in the doldrums. Her prestige abroad was high, but her position of most prosperous nation was lost to the United States. A efforts to revive export trade with foreign countries failed There remained one other potential outlet: the Empire The Dominions had shown a close sense of unity with the Mother Country during the war. There seemed a possibilit that they might unite with Britain in a closer commercia connection by which their raw materials would be given preference in British markets and British manufactured goods preference in the Dominions. Conservative politician were enthusiastic over the idea. Austen Chamberlain' "tariff-budget" of 1919 and the Safeguarding of Industrie Act of 1921 made exceptions in favour of Empire goods, and though these preferences were repealed by MacDonald' Government they were restored and augmented by Baldwir between 1926 and 1929. But the Dominions had no intention of sacrificing their own interests in the cause of imperia unity. After all the natural outlet for Australian wool wa in the Far East, the natural outlet for Canadian wood-pulp paper and fish was in the United States. And sentimen was increasingly strong against any close connection with Britain. The Dominions and even India sat as independent Powers in the League of Nations. They continued the practice begun during the war of meeting with British isters in Imperial Conferences, and from these meetings merged quite clearly that the Dominions would not let don dictate to them. At the Conference of 1926 a new nula was found to express inter-imperial relations: the minions and Great Britain " are autonomous Communiwithin the British Empire, equal in status, in no way ordinate one to another in any aspect of their domestic external affairs, though united by a common allegiance he Crown and freely associated as members of the British nmonwealth of Nations." This very vague definition was firmed with equal vagueness in the Statute of Westster of 1931. It might have been expected that the tute would confirm or deny the right of members to ede from the Commonwealth at will, but it did neither; fact it recognized no official bond between members ept the Crown, and that might mean anything or nothfor the King being a Constitutional Monarch must rule the advice of his Ministers in Dublin and Canberra as ch as by the advice of his Ministers in Westminster, and he former were to advise the secession of their nation n the Commonwealth presumably His Majesty could nothing in their way.

writish ministers were not distressed by the new official us of the Dominions. They counted on the military and imercial advantages which they could offer to hold those ions to the Mother Country. They counted without the sible spiritual disadvantages of that connection. The h above all people (except the Indians) were conscious

hose spiritual disadvantages.

h Nationalism. In all this book little will be said of ritual values. Religion will scarcely be mentioned; rarely the post-war period has it come near enough to the sure of events which it is the business of the contemporary torian to skim. Only one form of religion has risen and ken in great waves over the post-war world. It is called tionalism and arises whenever a people united by histal tradition becomes conscious of being persecuted and

exploited in the interests of foreigners. It is violent an irrational, leads to murder, war and political insanity. It uneconomic and irrational, leads to tariffs, reprisals ar artificial barriers between race and race. It is indefensible except on the ground that it keeps alive the sense of price and continuity with the past without which all politic associations are hollow. And it would be negligible excer that it has swayed the course of post-war history in Ge many, Italy, and in Eastern Europe, in the Scandinavia and East Baltic countries, in Turkey, Egypt, Persia, Indi China, Mexico and in scores of other national communiti besides. Its workings in Ireland, that tiny country of three million inhabitants, may be taken as typical of all the res

Since the twelfth century the Irish had been subject raids from England. In the seventeenth century the north the island was planted with English and Scots colonist Later Cromwell and William III tried to force Ireland become dependent upon England. In the nineteenth cer tury Mr. Gladstone tried a new policy with the old object the Irish were to be given Home Rule on the condition that they continued to provide England with the ra materials she so badly needed. The Home Rule Bill w still before Parliament when war broke out in 1914; it w postponed until the end of what everyone supposed wou be a very short war. But when the seasons passed and the was still no sign of peace some Irish patriots grew impatie and determined to strike for liberty while England w occupied in other parts of the world. It was a mad, ma escapade, for the rebels were only a handful and thous they proclaimed a Republic on Easter Monday, 1916, ar defended themselves in Dublin Post Office for nearly a wee the rebellion was easily suppressed. The English executi fifteen of the leaders, including Patrick Pearse, the school master who had inspired the rising. They almost execute a lean crow of a man who gave his name as Eamonn Valera, but reprieved him because he had been born America and it would not have done, in 1916, to have complications with Washington.

ationalism smouldered on in Ireland, flared sullenly in 8 when England extended military conscription to the h, and burst into conflagration in 1919. For three years Republican Party led by de Valera was at open war the English Black-and-Tans. Perhaps open war is the ng phrase; it was a war of night-raids, ambushes and orises. The English could easily have blown Dublin to es but it was not a question of destroying a city but of nding up a few leaders like young Michael Collins whom ody would betray and who slipped through Black-andfingers again and again. At last, in December 1921, elegation led by Arthur Griffith and Michael Collins ne to London and negotiated a treaty with Lloyd orge. Ireland, with the exception of the North-Eastern inties, was to become a Free State, with the status of a ninion within the British Empire; she was to have her Parliament and there was to be no compulsory connecwith England except that her ministers were to take oath to the King and accept the King's nominee as vernor-General. Later the British said that £5 million annum were to be paid by way of annuities for land erto held by Englishmen in Ireland.

The delegation returned triumphantly to Dublin with the ce. To their astonishment de Valera and the Republican ty would have nothing to do with it: they insisted on aplete independence. In vain Collins pleaded that the estate Treaty gave them the substance of independence thout the shadow of a republic. De Valera stuck to his not and a civil war followed between Republicans and estaters—between the very men who had done most Irish Nationalism. The civil war did not end until 1923 ten Arthur Griffith had died and Michael Collins had no killed in an ambush and fifty Republicans had been cuted for treason. It was 1927 before the Republican ty agreed to recognize the Free State and de Valera I his party took their seats in the Dail.

rom 1922 until 1932 the Irish Free State built up a derate prosperity under the government of William

Cosgrave. There were troubles over the boundaries of North-East Ireland (which were so drawn as to cut one sixth of Irish territory and one-third of Ireland's population out of the Free State) but for the most part relations with England were good. English companies built factories in the Free State, English money was invested in Free State concerns. The Cosgrave Ministry re-organized local government and harnessed the water-power of the Shannon in an electric power scheme. Yet something was missing in the new Free State; in February 1932 the Irish electors turned Cosgrave out and put de Valera in his place.

The policy of de Valera was what it had always been a complete break with England. He held that the English might enrich Ireland physically but that their intervention was fatal to the spirit of Ireland, that the Irish are a Catholic agricultural people with a Celtic language and a glorious Celtic tradition, that English materialism and English industrialism break down the religious and traditional way of life of the Irish and make their language and their history meaningless. His first concern was to repudiate the treaty which had made Ireland a British Dominion. He refused to take the oath to the King, he forced the resignation of the Governor-General and proposed and secured the appointment of a retired village grocer in his stead Most serious of all, he withheld the £5 million land annuities.

The British Government was determined to bring de Valera to his senses. They put heavy import duties on Irish products. At first these duties played right into de Valera's hands for they hit the very section of the Irish community which was most opposed to republicanism, the grazier whose big ranches de Valera was anxious to convert into tillage farms. He set about trying to make Ireland self-supporting by bringing pasture lands under plough, by growing enough sugar-beet to satisfy domestic needs, by planting tobacco crops and encouraging manufacturers to set up factories in Ireland. He answered the English

ies on Irish goods by laying equally heavy duties on glish coal and manufactured goods.

Il this meant short rations and tight belts for the Irish ple. The English had been model employers, Ireland never been prosperous enough to afford to throw away ch revenue, and a customer as convenient and rich as land could not be found again in a day. As the British vernment piled tariff on tariff increasing numbers of hmen began to wonder if Republican Nationalism was th the sacrifice. There was a conflict between the heart the belly of Ireland. At the end of 1934 that conflict still undecided. Why, asked the outside world, did the ish Government not let Ireland go, why must they insist that treaty of 1921? The answer is partly that the British, , have their pride, partly that a future alliance between and and a foreign Power might be dangerous to Great ain, and partly that in 1929 Ireland bought 5 per cent Britain's total exports and supplied 4 per cent of her ports—a contribution to British economy as great as that Canada and greater than that of New Zealand.

e Situation in 1929. When 1929 and the time for a eral election came none of England's problems had been red. The City of London was doing good business, culating in a big boom on the New York Stock Exchange l in a little boom in dirt-track shares at home. Some v light industries established near London-wireless, mophones, domestic appliances and the like-were rishing. But the heavy industries which for a century I been the backbone of the country's wealth were cken; "We do not see," said the Industrial Transence Board's Report for 1928, "how the heavy industries give a living trade to those who are at present attached them, or to all those who would normally look to them a livelihood during the next few years." Over a quarter the men normally engaged in mining and engineering re unemployed and a fifth of those engaged in shipbuild-. In all the last eight years the total of insured workers unemployed had never sunk below a million. In thes circumstances it was strange that Baldwin should haw chosen to fight the election on the slogan "Safety First.' If safety meant stagnation the industrial North at any rat was sick of it: the Conservatives were defeated, winning only 260 seats, to Labour's 287.

Ramsay MacDonald became Prime Minister at the head of a second Labour Government. But still there was no clear Labour majority; there were fifty-nine Liberals in the House on whose votes Labour was still dependent. The Government had to find money to keep the unemployed from starvation, money for the American debt, money to pay 5 per cent interest to holders of £2,000,000,000 of Walloan, and to find it by methods that would not offend the susceptibilities of Liberals. The task would have been difficult at any time but in 1929 it was hopeless: in that year the economic depression which had been hovering over the world since the war deepened into a crisis.

III: THE GREAT DEPRESSION, 1929-34

HE ODDEST THING about the world at the beging of 1929 was the general mood of optimism that preed. Apparently a successful recovery had already been de from the greatest war in history. Germany was on feet again, the newly created States had established mselves, nearly every nation had balanced its currency, chines were producing more goods, with less human rt, than ever before, Soviet Russia had launched a plan ift her 160 million people out of mediæval squalor in years and the President of the United States was promisthe immediate abolition of poverty. "In 1929," wrote Arthur Salter, "while some countries had lost in tive position, the world as a whole was well above all lier standards and seemed to be advancing at an uncedented pace to levels of prosperity never before thought sible." There was never a greater illusion. Within a short two

rs Germany was on the verge of revolution, new States I abandoned democracy for dictatorship, nearly every ion had a fluctuating currency, machines were idle and rehouses stocked with goods which no one could buy, riet Russia was in difficulties, the financial structure of United States had collapsed, five South American ublics had suffered revolutions, a war was brewing in Far East, the corn harvest was being burned on the nadian prairies, the coffee crop was being burned Brazil, the trade of the world had dropped by one f.

What had happened? It is appallingly difficult to say. In the old days before the war the capitalist system had been subject to tidal movements-increasing prosperity rising to a boom, bursting and falling to a slump, after which recovery would gradually set in again. The slump of 1929 was one of these tidal movements, part of the trade-cycle; at the same time it was more than that. The war had left a legacy of economic dislocation. First the frenzied rush to produce raw materials -especially rubber and tin-led to over-investment in those crops; when they came to fruition and the increased produce was put on the market there was naturally a fall in prices, a slump. Secondly heightened competition led to rationalization, scientific organization of industry to reduce costs and this involved employing less workers having less money to spend the workers could not buy up the stocks of new goods and this too meant a fall in prices. Thirdly the war upset the world's financial balance; war-debts and reparations left the United States and France the creditors of the world; 60 per cent of the total gold-supply silted up in the cellars of Paris and New York banks: quite simply there were too many goods in the world and not enough money for the needy to buy them with.

The slump (and the crisis which ensued) was not confined to a country or to a continent; it was a world-crisis. The story of its development is not easy to tell for it was precipitated by no dramatic event; there is no pistol shot in Bosnia on which to raise the curtain. the whole world is its stage and every man and woman actors. It is a drama not of the conflict of personality or of ideals, but of the creeping loss of confidence, a creeping fear swelling to hysteria and sinking to cynicism and transmuting itself at last to a guarded hopeful-

For clarity's sake we shall confine ourselves in this chapter to Europe, leaving the rest of the book to account for the crisis in other continents and coming at the end to the steps sen by the world in collaboration to rise out of the great pression.

he Slump. As far as Europe was concerned two things re wrong with the much vaunted prosperity of the postr decade. In the first place Europe had lost her monopoly mechanical production. Countries like Japan, India and British Dominions had learned during the stress of the r-years to manufacture their own industrial goods instead importing them from France, Germany and Great itain. Countries like Canada and Soviet Russia were oducing cereals with modern machinery and, in the case the latter, with State subsidies; they could turn out grain prices with which the peasant countries of Europe could t hope to compete. The people of Eastern Europe ımania, Bulgaria, Hungary and to a lesser degree Poland d Yugoslavia—lived by exporting agricultural produce; sts of production here were high, particularly now when nd had been divided among peasants who were farming economically small holdings by primitive methods and no were loaded with a heavy weight of debt to pay off the ms for which they had agreed to buy their land. Being able to export on the old scale the Eastern nations were ced to buy less from abroad, had to restrict imports by riffs and these restrictions weighed heavily on the instrialized nations of Europe who had looked to them for arkets. The poverty of the peasant countries reacted on e rest. And the policy of tariff restrictions was given ditional impetus by the inflamed nationalism of the new ates which had sprung from the loins of the old Habsburg d Roman Empires.

The second thing wrong with the prosperity of the poster decade was that Europe, as we have seen in Chapter III is living on borrowed money. Between 1924 and 1928 rmany borrowed £750 million from foreign investors. It was entirely dependent on this borrowing—without she could not finance the industries whose profits paid

the instalments on her Reparations account. Under the Dawes Plan it was calculated that she had to pay 80 mark every second, 288,000 marks every hour for an unlimite period! In 1929 a new Reparations plan was evolved b a committee under the chairmanship of Owen D. Young an American banker. It did at least limit the period-t fifty-nine years—and fixed the total amount to be paidat 25,000 million dollars—but in one respect this Youn Plan was worse than the Dawes Plan: no remission payment was allowed in the event of a fall in world price It was obvious that Germany could pay only if she could continue to command high prices for her goods and if sh could go on borrowing capital from investors in the Unite States. Even before the Young Committee met American had developed a blind faith in the future of their ow industries and were investing their money at home rather than abroad. Then in October 1929 a catastrophe har pened; stocks on the New York exchange suddenly slumpe and investors lost most of the money they had paid for the shares. The collapse hit the world in its two weakest spot It hit the borrower, for America could no longer afford the lend. Her investments in Germany, which had reached \$1,000 million in 1928, dropped to 550 million in 1921 and in the last months of that year she began calling in he short-term loans from Germany. And it hit prices, for America—the richest nation in the world—could no long afford to buy on the old scale; and in 1930 she imposed the highest tariff in her history. World-prices dropped an dropped until they stood at roughly half the level of 192 This meant that every debt in the world was doubled the village cobbler who owed five pounds and coul have paid it off by making five pairs of shoes when the price was a pound a pair now had to turn out ten pair the farmer who had paid the interest on his mortgage with a hundred bushels of wheat now had to pay two hundred.

CRISIS IN GERMANY AND AUSTRIA, 1931 129

risis in Germany and Austria, 1931. It meant hard nes for every debtor; for Germany, the heaviest debtor of l, it meant ruin unless she could persuade her creditors lighten her burden at once. Unfortunately she no longer ssessed the one statesman who might have succeeded such persuasion; Stresemann had died at the early age fifty-one in the very month of the Wall Street crash, and the following month Briand, who had guided France into-operation with Germany, fell and Tardieu became Prime inister—Tardieu who had condemned the framers of the crasilles Treaty for being too lenient.

The year 1930 opened gloomily for Germany. The antiepublican parties—Communists, National Socialists and e rest were becoming stronger and more strident every cek. When the last Allied troops evacuated the Rhinend they raised a howl of execration against France, stead of making it an occasion for congratulation and aceful overtures as Stresemann would have done. The w Chancellor Brüning, who was leader of the Catholic entre Party, in June advised President Hindenburg to smiss the Reichstag and to govern by decree, as he was titled to do in an emergency under Article 48 of the eimar Constitution. Brüning hoped that decree-rule ould keep Germany from revolution and screw economies t of her people until the Powers could be induced to thdraw their pressure. In his view Reparations were at e root of the whole crisis; if only the Powers would ve Germany a breathing space by forgoing their claim Reparations, bankruptcy might be averted and the Reblic saved.

France was convinced that Germany was exaggerating r distress. When Brüning made the very reasonable oposal of a Customs Union with Austria as a step towards ade recovery France forbade it peremptorily on the ground at any form of Austro-German union was contrary to the crsailles Treaty. The failure of the Customs Union prepitated a general financial crisis. In May 1931 the Credit astalt, the greatest of Viennese banks, could no longer

meet its liabilities. The Credit Anstalt owned 80 per cent of Austria's industries; its failure would mean national bankruptcy and the loss of every shilling invested in Austria unless foreigners came to her rescue with credits. German and Great Britain advanced money, but neither was in a position for alms-giving. A run on the German banks began and £26 million was withdrawn from the Reichsbank in on week.

Now it was Germany's turn to face bankruptcy. The President of the United States had proposed to suspend Reparations payments for twelve months. The French delayed in giving their consent to this moratorium unti June; and then it was too late. On July 13 the grea Darmstädter bank failed and every bank in Germany had to be closed for two days. But the world had no eyes fo conditions in Germany for now it was the City of London that was in peril.

Crisis in Great Britain. The City of London is the world's banking centre; it holds deposits for every country in the world. In the ordinary course of events there is no danger of a sudden simultaneous recall of many of thes deposits. The City is safe in lending money to foreign countries for long terms though most of the money in London is deposited for short terms. But in the crisis of 1931, when nearly every nation was feeling the danger of a run on its banks, nearly every nation began to recall it reserves from London. In July the Bank of England had to borrow £50 million from New York and Paris and by the end of the month that sum was rapidly disappearing Early in August the Governor of the Bank felt obliged to ask the Government to borrow £80 million more, declaring that without it the Bank would be unable to maintain it necessary reserve of gold. Ramsay MacDonald agreed, bu then a difficulty arose: American bankers seemed unwilling to make the loan unless Great Britain consented to balance her budget.

The Labour Government found itself in a quandary. In

budget of the spring the Chancellor of the Exchequer d gambled on an improvement in trade, but trade had mped, and the Hoover moratorium had deprived Great itain of f_{11} million in Reparations payment, and unembyment figures had risen to nearly three million. What was orse, a Committee on Finance and Industry had exposed ne Macmillan Report, July 14) the weakness of London's ancial position, the vulnerability of a structure based on rrowing for short terms and lending for long ones, and a mmittee on National Expenditure had declared (the ay Report, July 31) that an economy of £96 million buld be made forthwith by wage reductions and above by cuts in Unemployment Insurance. So it came to s: the Labour Government must give less—much less the unemployed if it was to get the loan from America. acDonald knew that his colleagues would not agree to luctions in the "dole," so on August 23 he resigned and Labour Government was at an end.

Everyone expected that the King would now ask Baldwin form a Conservative ministry. Everyone was wrong. The ng received MacDonald in Buckingham Palace on igust 24 and MacDonald emerged from the interview as ime Minister of a non-party Government. He formed a binet of four Labour members, two Liberals and four nservatives. It was called a National ministry, but this s a misnomer, for the Labour Party repudiated it and pelled MacDonald and his three colleagues from their hks. It was intended to convince the world of the stability Great Britain, but in this it was hardly successful for drain of money from the Bank of England continued. last the fact became obvious that England could not go paying her foreign creditors in full; on September 21, 31, an Act was rushed through Parliament relieving the nk of its obligation to give gold in exchange for notes. Great Britain was off the Gold Standard. The pound rling was no longer equal to twenty shillings' worth of ld. This was enough to plunge the exchanges of the world to chaos. Many countries had large deposits in London,

held British securities, conducted their foreign trade large in terms of sterling: there was no alternative for them be to follow Great Britain off gold. By the end of 1931 Indi Norway, Sweden, Denmark, Finland, the Rhodesia Austria, Japan, Portugal, Rumania, Chile, Greece, Sia and Persia had abandoned the Gold Standard.

In the last months of 1931 the world-crisis reached climax. Prices touched their lowest point, in finance ar commerce there was a maximum of dislocation, ever where, except perhaps in France, there was acute alarm, many countries there was actual panic and nowhere, this dark winter, was there sign yet of constructive mea for lifting the great depression.

Nazi Germany. There is a limit to what any people ca endure; by the beginning of 1932 Germans had reach that limit. They had suffered four years of war ending defeat, then the Revolution, then the Inflation, then excrescence of prosperity that had no roots because it w built on loans and no fruits because the industries in rec ganizing themselves left two million men without work as the profits were owed to foreigners; and now bankrupto now a collapse that left half the young men between t ages of 16 and 32 without work and without the prospect work. It is no wonder that the people of Germany we ready to rebel against the two forces which had broug them to this plight, against the Powers who had drawn t the Versailles Treaty to impose debt and humiliation upo them, and against the Social Democrats of the Weim Republic who had given them liberty instead of leadershi profiteers instead of prophets, chaos instead of content. The only question was which party was strong enough to over throw the Republic and force a modification of Versaille The Communists still had a following among working me but they seemed to want the prosperity for a class rath than for the community and their international sympathi seemed insane to the generation of Germans which ha known nothing but the hatred of other nations. The

tionalists too had a following, but they too stood for a ss, for the prosperity of the eastern landowners and the western industrialists. There remained only one sible saviour for Germany: the National Socialist

rty.

The history of the party is the history of one man. Adolf ler was born in 1889, the son of a customs official in the age of Braunau on the Austrian side of the Inn. He was an orphan at 12 and went to Vienna hoping to be en a scholarship at the Art School. He was rejected and fted into casual labour, picking up a living as a builder's te, as a house-painter, anything. The workmen desed him and he left Vienna for Munich. Luckily the war ke out and he found himself in the German Army, with nrades and a cause; he fought well and was made a poral, decorated and honourably wounded, but when ace came he found himself back in Munich, a penniless body as before. In 1920 he found a political group with members and no programme. Hitler became the enth member and drew up a programme in twentye points—anti-Jew, anti-profiteer, anti-foreigner, antieimar, anti-Versailles: to-day the points are the gospel Nazi Germany.

The party grew; it appealed to the shop-keepers and ung men of the lower middle class who were left in the d by Bavarian Communism; some money was put up western industrialists who disliked Ruhr Communism; few intellectuals joined the movement, notably Joseph bbels, a young doctor of philosophy of Heidelberg. Then tler had a stroke of luck; he fell in with the ex-Marshal dendorff, who offered to lead a march on Berlin in itation of Mussolini's march on Rome. It was 1923, the ne of the Ruhr invasion, and the Republic seemed to be tering. But the Nazi marchers were held up by the litary when only a few miles out of Munich. Most of the deers escaped (one of them, Göring, very narrowly—was badly wounded and had to be carried on a stretcher er the mountains into Italy) but Hitler was arrested and

condemned to five years' imprisonment, of which he was made to serve only a few months.

Any hope that the Nazis had seemed to disappear when the Dawes Plan began to bring some prosperity to th German Republic. In May 1924 the party won 1,900,000 votes and 32 seats in the Reichstag; at the Decembe elections it polled only 900,000 and had only 14 seats.

At those latter figures it stayed until the great depression brought new strength to enemies of the Republic. It September 1930 nearly six and a half million German voted Nazi. From this moment Hitler never looked back His party had 107 seats in the Reichstag, an admirable organization centring on the Brown House at Munich, considerable private army of ex-soldiers and unemployed youths, and a growing body of support all over Germany

It is a wonder that any German could resist wha Hitler offered at this time. A doctrine combining Nation alism and Socialism is enough to go to the head of an hungry and humiliated country. In place of the humilia tion of Versailles and the stigma of war-guilt Hitler taugh that the Germans were the élite of the Aryan stock, the chosen people of the white race whose civilization the whole world was aping. In place of the rationalization c the Republic-which had led to unemployment all ove the land-he offered work to all classes for the common cause, work to build a third Reich more glorious than the Holy Roman Empire of the Hohenstaufen, more gloriou than the second empire of the Hohenzollern. In place of the unsatisfying sex-equality introduced at Weimar he offered the man his traditional position as head of the household and the woman hers with Kinder, Küche und Kirche (which would have the double advantage of removing women fron the labour market and of increasing the birth-rate). And he offered to all Germans an enemy, an enemy on whom the defeated nation could vent its desire for revenge; he offered up to them the Jews, the very embodiment of Communism Profiteerism and Internationalism.

Meanwhile Heinrich Brüning had antagonized every

ass by piling on taxes in the attempt to meet Germany's ternal debts. It was obvious that he was losing every mblance of popular support. The old President cast about r someone to replace him. There was no one he could ust except his own peers, the barons of the Herren Klub. hese gentlemen were much more attached to the Monchy than to the Republic, but they hated Social Democcy and they hated National Socialism and in those days ything seemed better to Hindenburg than Socialists or azis. He called in Von Papen, who formed a "Barons' abinet." They had no pretence to popular support but ey had a clear-cut policy-National Socialism without e socialism. With shrewd understanding of the weakness the Social Democrats (which lay in their shrinking from olence) Von Papen turned them out of the government the State of Prussia which they had controlled for a ecade. In 1920 a similar coup on the part of Kapp had en frustrated by a general strike, now not a hand was ised to help the Prussian Socialists. Von Papen won nother moral victory in July, this time over the Allied owers: at the Lausanne Conference Reparations were rtually cancelled. It mattered little to Germany that tification of this depended on America's waiving her aim to War Debts: the point was that the Barons' Cabinet ad removed a load from Germany which Republican inisters had been powerless to shift.

The barons still had the Nazis to face. At the July electors Hitler's party won 13,733,000 votes and 230 seats in the Reichstag. It was necessary now to make some concessons to Hitler, so the President condescended to receive him and offered him a seat in the Cabinet. Hitler refused: he could have complete control or nothing. Von Papen now raced himself for a duel with the Nazis; he dissolved the eichstag by Presidential decree as soon as it met and projected to steal Hitler's thunder by establishing a Nationist dictatorship. The Press was censored, the wireless was conopolized, the State of Prussia was put under the virtual patrol of the Central Government, Communists were

imprisoned and Jews were dismissed from public positions. So successfully did Von Papen take the words out of Hitler's mouth that at the November elections the Naz vote dropped by two million.

The Nazis now prepared for a military coup. As a las resort the President replaced Von Papen by General Von Schleicher, who had control of the Reichswehr and wa thought to have influence with the Trade Unions. It was no use: on January 30, 1933, the President had to confethe chancellorship upon Hitler.

Two gigantic tasks lay before Hitler: the first was to "Nazify" Germany, to replace the democratic republicanism of Weimar by the National Socialist Reich, the second was to improve the economic condition of the country so that it could support its 60 million people.

The first task proved the easier. On February 27 th Reichstag building was burned to the ground. Communist were blamed for the outrage. As a piece of political propaganda it was as effective as the production of the Zinovie letter in England in 1924, for at the elections which were held a few days later the Nazis won a recommajority. On March 23 the new House passed an Enabling Bill conferring dictational powers on Hitler for four years.

The Nazis set to work to disarm their enemies. Trad Unions were abolished and Communists jailed, maule and sometimes tortured, as had happened after the Fascis coup in Italy a decade ago. Social Democrats acknowledge Hitler or expiated their sins in internment camps. The Catholic Centre Party was dissolved; Hitler had a quarrel with Catholicism and sent Von Papen to make concordat with the Pope, but he had no more intention than Mussolini of tolerating Church interference in politic or in secular education. The Lutheran Church was compelled not to preach against National Socialism. The wor of centralization begun by Von Papen was completed The component States of Germany lost their liberties an were brought under Nazi control; and Press, theatre, an

ture-room and radio were converted into Nazi mouthces. As for the Jews, they were persecuted. There was no body pogrom such as had been common in Russia in arist days, but there was bullying and a cruel boycott of ws of the trading class and the dismissal of Jews from the ofessions. One German citizen in a hundred was a Jew d perhaps one doctor, lawyer, architect and scientist in a; the persecution cost Germany dear.

By 1934 Germany was "Nazified." There was not one canized body left that was not nominally Nazi. Hitler attemplated disbanding his private Brown Army which no longer needed. The Brown leaders threatened to ist and on June 30 Hitler had them shot and took the portunity to kill off prominent men in other walks of life including Von Schleicher, whom he suspected of plotting ainst the régime. Then in August the old President Von indenburg died and Hitler declared himself President as Il as Chancellor; his move was confirmed in a plebiscite go per cent of the German people: Hitler was at the light of his power.

Hitler, Göring and Göbbels had done for Germany what ein, Scharnhorst and Humboldt had done for Prussia er the Napoleonic War. They could pride themselves at a new spirit was alive in the land, a new elation, a new de, an almost pre-war arrogance. But the continuance this spirit, and of Nazi rule, depended on Hitler's ability solve the economic problem. Germans still lacked food d comforts: the burden of Reparations had gone but the erest on foreign loans had still to be paid and export de was blocked by tariffs. Hitler did what he could to ieve distress. He worked out schemes to send townsmen ck to the land, establishing families here and there on all farms; he stretched the system of private charity to eaking point; he replaced Jews by German professional en; he sent young men of every class to labour camps nere, instead of loafing the streets, unemployed, they did eful work in the open air and learned to respect their low men. All this was good for morale but it buttered

very few parsnips. When the winter of 1934 set in there was no prospect of any improvement in the economic condition.

Before any considerable recovery could take place Germany needed the Saar industrial area and also the goodwill of the other Great Powers. For the Saar she would have to wait until the plebiscite of 1935; as for the Great Powers, they showed less goodwill every month. They knew that it was largely their ill-treatment of Germany that had driven the people into National Socialism and this knowledge made them angry, not with themselves, but with Hitler. Their anger took strange forms. The French, who had armed to the teeth since the war, opposed on moral grounds the Nazis' claim to be allowed to re-arm; and forgetting that anti-Semitism had all but wrecked the French Republic in 1900 they condemned the Nazis as barbarians for their treatment of the Jews. The Americans, who consigned 10 per cent of their own citizens to menial occupations and to lynch law because they were negroes, denounced the Nazi doctrine of race-purity. The British, who had stifled criticism and interned aliens during their war-crisis, condemned the Nazi for taking similar precautions during their peace-crisis. And the Italians, who had forced Italian nationality and Fascism upon 250,000 Austrians in the Tyrol opposed Hitler's claim to be allowed to extend German nationality and National Socialism to the rest of Austria.

Dictatorship in Austria. In Austria as in Germany democracy collapsed under the strain of the crisis. The little Republic was bankrupt and divided against itself at a time when its only hope lay in unity. The Socialists of the city of Vienna found themselves surrounded by enemies. On the north Hitler was demanding a Nazi Austria, on the south Mussolini was demanding a Fascist Austria, within the Republic itself the Catholic leaders were persuading the peasants that they must arm themselves for defence against the Nazis of Germany and the Socialists of Vienna. At last the Chancellor, Dollfüss, himself a Catholic of

asant stock, was informed by the Heimwehr—the private my of Austrian Fascists—that they would cease to support m unless he took from the Socialists the rifles which they d kept, unused, since 1918. The Socialists had the ernative of giving up their arms-after which their fate uld only be that of the Italian and German Socialists of resisting. They shut themselves in their tenements, ose new buildings which were a model to the world, and e Heimwehr and the Austrian army levelled heavy tillery on them. The tenements were partially destroyed, men and children were killed in their homes. After four ys' fighting in the city—it was February 1934—the cialists gave up their arms, and their leaders fled over the ontier into Czechoslovakia. The Heimwehr and the forces Fascism now held the whip hand all over Austria. They ere able to keep order—though they could not prevent the sassination of Dollfüss by Nazis in July—but for the rest 1934 they could do nothing to improve the economic ndition of the country. A union with Hungary by means a Habsburg restoration might have set the wheels of mmerce turning again, but it was banned by the Little atente.

covery in Great Britain. Of all the countries of trope Great Britain made the best recovery from the isis of 1931. The Emergency National Government hich was set up in August amounted to a dictatorship. It andoned the Gold Standard which it had promised to aintain, and it passed an Economy Bill "which, by a omentous and unprecedented change of constitutional actice, did not specify the economies to be made, but appropriately active as were required, merely by magisterial fiat." But the untry approved of these measures: at a general election all in October the Liberals united with the Conservatives gainst Labour, and the most respected public figures

¹ Lord Passfield in the Political Quarterly, January 1932.

and all the great newspapers except two urged the electo that it was their duty to vote for the National Governmen by which they meant the coalition of Conservative Liberals and the handful of ex-Labour leaders who ha followed MacDonald. The Nationalists tried to scare th poorer people by hinting that the Labour Government ha designs upon the money they put in the Post Office Saving Bank. The Labour vote dropped from 36 to 30 per cent the total votes cast, and by a strange anomaly of th British system of single-member constituencies this involve the loss of 215 Labour seats in Parliament. The Nation Government found itself supported by 91 per cent the House and with every prospect of five full years power.

The object of the new coalition was to help the Britis producers. Normally most producers worked for foreign markets, but now the great depression had swept away mo of that foreign trade. There was little that a Government could do to recover it, but that little the Nationalists di The pound was not allowed to fluctuate: an Exchang Equalization Fund was used to keep it steady at a point n too far below its old standard. The steadiness of the pour meant that foreigners could contract to buy British goo without too much risk of prices rising in the meantime the cheapness of the pound meant that they could affor to buy more easily than when it had stood at its 1925-9 rate. Then the Government converted the £200 million War Loan from 5 per cent interest to 3½ per cent. Rentie lost a large fraction of their incomes, but in future investo felt more inclined to invest their money in industrial stoc -there was more capital available for industry. Or weapon the Government had for stimulating the expo trade: certain nations, notably Denmark, the Scanc navian and East Baltic States, lived largely by selling goo to England; the Government announced that it would n allow these goods into the country unless the States co. cerned undertook to take a definite amount of Englis products in exchange. By this system of internation

ter, the British export and shipping industries were ed from stagnation.

In the days of her prosperity Great Britain had not hered much about the home market; the business of ing goods to forty million Britons was petty compared h the opportunities of sales to the thousands of millions foreigners. But now in the world-wide depression the me market offered possibilities which the National vernment did its best to develop. It kept cheap foreign ods out of the country by tariffs (thus abandoning all egiance to the Free Trade gospel of the nineteenth ntury and incidentally losing the support of a group of berals in the coalition). It gave subsidies to help the pping industry and producers of wheat, milk and beef, d it carried out a really important reform of British riculture.

The instruments of the reform were Marketing Acts nich were an attempt to organize producers to raise and stribute their own products in combination instead of by t-throat competition. The machinery had been set up by a Labour Government in 1931; it was elaborated by ajor Walter Elliot, the Conservative Minister of Agrilture, in 1933. The Acts empowered two-thirds of the oducers of any one commodity to plan the quantity, tality and price of their product. Their plan was to be bjected to criticism by various committees and Government departments and finally to be submitted in the form a Bill for the approval of Parliament. In 1933 and 1934 arketing Acts were passed for hops, milk, pigs, bacon, otatoes and other commodities.

The Marketing Acts were the most remarkable experient undertaken in England in post-war years. At last the fort was being made to plan the production and whole-le distribution of food according to the needs of the comunity. Every sort of difficulty beset the experiment in its titial stages. It was obvious, for instance, that producers sing thus officially encouraged to form monopolies would be their new powers to force up prices in their own

interests. This is what happened in the case of pigs and bacon for which producers charged a higher price, thus depriving the poorer classes of a food for which they could find no wholesome substitute. It was some time before the producers realized that their selfish policy was harming themselves by killing the demand for their product. The weakness of these first Marketing Acts and subsidies was the scant attention paid to the consumer's point of view. It was easy to summon a committee of representative producers, but who is to be called a representative consumer? The British Government like the American had yet to develop a technique for planning agriculture in the interests of the man who eats as well as for the man who grows.

Great Britain had made a considerable relative recovery. No other country in the world in 1934 was so prosperous, none so stable, none so confident, none had weathered the crisis with so little panic, so little oppression. But this recovery was only relative. It was achieved at the expense of the taxpayer whose burden was increased, of the teachers, civil and military servants who suffered cuts in their salaries, of the poorer classes who had to pay more for their food, and of the unemployed who suffered cuts in the dole which brought their standard of living below that which the British Medical Association considered necessary for the maintenance of health. Above all it was achieved at the expense of the foreigner: bankers and business men of nearly every nation who had deposited money in London for safe keeping lost 20 per cent of their savings when Great Britain went off the Gold Standard, exporters lost more than that percentage of their trade when Great Britain piled tariff upon tariff, quota upon quota; the United States had an especial grievance when the Chancellor of the Exchequer in 1934 refused to pay the bulk of his American debt at the very time when he was gloating over a considerable budget surplus.

The nature of the recovery in other countries was the same in varying degrees as that of Great Britain. Almost

very nation was a little better off in 1934 than in 1931. ut the partial recovery had been attained by negative nethods. The depression that became intense in 1929 and eached a crisis in the winter of 1931 drove every European ation into its shell, arming itself by tariffs, currency estrictions and armaments against every other nation; and this manœuvre tended to retard the restoration of nancial and economic intercourse between nations. No ne imagined that there could be any real recovery until ternational trade was restored.

urope under Dictatorship. How much and how little vas done by Great Britain and the other European nations wards an international solution of the depression will be onsidered at the end of this book. All that remains to be oted here is that parliamentary democracy proved nadequate to deal with the emergency and that there rose in nearly every nation a form of dictatorship, more r less severe according to the suddenness and intensity of he crisis. In Germany and Austria democracy gave way to yranny. In Poland all but the faintest shadow of parlianentary rule was lost in October 1929 when Pilsudski, ominally only Minister of War, sent a body of soldiers into he lobby of the Chamber to remind the delegates of their imitations; his position as dictator was "legalized" at the lections of the following December, before which he had aken the precaution of imprisoning the leaders of the pposition. In Yugoslavia King Alexander made the nurder of the Croat leader Raditch in the Chamber an xcuse for dismissing Parliament and suspending the Constitution; he ruled Yugoslavia as a dictator, largely in berbian interests and to the great discontent of Croats and Slovenes, until October 1934 when he himself was murdered t Marseilles. In 1931 his brother-in-law King Carol of Rumania took a similar step towards dictatorship when he lismissed Maniu and replaced him as Prime Minister by an old man who had been the royal tutor. Hungary, not having hared in the prosperity of 1925-29, did not feel the sudden

contrast of the depression, but in 1931 the arrogant Coun Bethlen had to resign in favour of a minister who was mor inclined to truckle to France, and in 1932 the Francophile was succeeded by Julius Gömbös who was prepared to accept help from Italy upon Italy's terms. Czechoslovakia being a more self-sufficient state, fared a little better Masaryk and Beneš kept their seats and the Constitution was not altered, though no attempt was made to allow tha free expression of opinion which older democratic State regarded as the essence of democracy. In France and Grea Britain democratic government stood the strain but only at the price of setting up National Governments which meant the virtual elimination of parliamentary opposition

It was a far cry from 1919 when the map of Europe had been redrawn to make the world safe for democracy. Bu the disease which had broken out in 1929 was not a visitation of Providence, it was the direct outcome of human mistakes and the cure would come as soon as men's vision should be extended from their own jobs—or lack of jobs—to the world-conditions which had made the history of the post-war years what it was.

PART TWO THE SOVIET UNION

T

THE BOLSHEVIK REVOLUTION

HE RUSSIAN REVOLUTION is the salient event in the story of the post-war world. Most of the difficulties in derstanding it have come from thinking of Russia as a tropean country. A child is incomprehensible if judged m adult standards, Russia is incomprehensible if judged m European standards. Russia is largely Oriental, her volution is one of many Oriental revolutions which have ken place in the twentieth century against the exploitan of the Western Powers and of the privileged classes: s only from that angle that Bolshevism can be understood.

sarist Russia. In the nineteenth century Russia was a st Empire of peasants and landowners. The peasants were fs, tied to the soil; the landowners were owners of the fs and used to bequeath them in their wills like so many ad of cattle. In 1861 a decree of Tsar Alexander II made e serfs free men and allowed them to buy plots of land on e instalment system and to work for the lords for wages to y off their debt. "It is better," said Alexander, "to olish serfdom from above than to wait until it is abolished om below."

If Russia had remained a purely agricultural country ere would have been no Revolution, but towards the end the century a policy of industrialization was adopted: bunt Witte made a treaty with France, a treaty with reat Britain followed in 1906 and French and British pital began to pour into Russia to finance industrial velopment. It was the policy of the Tsarist Government encourage foreign investment in Russian industry rather an to import industrial goods from Western Europe.

Mining and metal works were developed in the Ukraine and in the Donetz area and light industries round Moscow and Petrograd, munition factories sprang up to equip Russian armies for the war against Japan in 1904 and by 1906 Russia was producing nearly all the material needed for the expansion of her railways. By 1914 two and a half million workers were employed in urban industries and in mining. The conditions under which they worked are indescribable. Herded in barracks or in slums which grew like fungus round the factories, with little State interference to mitigate and no tradition to sanctify their misery, this new proletariat turned naturally to thoughts of revolution. A few intellectuals took up their cause, formed in 1897 a Socialist Party and affiliated themselves to the Socialist or Social Democratic Parties of the older industrial nations which had organized an International Working Men's Association under the guidance of Karl Marx as early as 1864. This First International had broken up after the failure of the Paris workers to establish a Commune in 1871 and it was succeeded by a less bellicose Second International.

The life of the Russian Socialists was tragically hard. In England they would have harangued audiences in Hyde Park, petitioned Members of Parliament, organized Trade Unions, published Socialist periodicals, but in Russia all these peaceable methods of agitation were forbidden. There was no freedom of assembly or of speech or of publication, and the Tsar had a formidable police organization, the Ochrana, devoted to rooting out revolutionaries. The Russian agitators were driven underground, to concealed printing-presses and to secret meetings behind locked doors. When caught their punishment was death or exile to Siberia. Vladimir Ilytch Ulianov, the school-inspector's son whose nom de plume was Lenin, was exiled to Siberia in 1896 for three years, and later went to Europe and remained an exile until 1917. Lev Davidovitch Bronstein (Trotsky). the son of a Jewish farmer, was exiled at the age of eighteen for organizing a party of workers in Odessa. Joseph

jugashvilli (Stalin), the Georgian, was imprisoned and caped a dozen times before he was put away for four ears in eastern Siberia. Worse misfortunes overtook most the Russian revolutionaries. Adversity made heroes of tem; they gave themselves up to their vocation with all te devotion of priests.

The Ochrana was the most efficient department of the sarist Government. The other departments were almost iminally negligent. They let Japan trounce Russia in 905. This defeat gave a glimmer of hope to the workers nd peasants. Here and there over the vast face of Russia pontaneous insurrection broke out, strikes in towns as far part as Warsaw and Kovno, Riga and Tiflis, and in the buntryside raids on manor houses and destruction of farm hachinery. In Petrograd the strikers formed a Soviet or ouncil of Workers, and Trotsky who had slipped back om Europe was elected at the age of 25 to be its President. he Soviet proclaimed the Tsarist debts void and then accumbed: early in December its leaders were arrested. n Moscow the Soviet declared a general strike on Deember 19 and workers captured all but the central portion the town, but their rising came too late, the Tsarist oops were back from Manchuria and the revolt was appressed.

The revolutionary leaders found themselves in exile gain. The moral they drew from the 1905 failure was that evolution in one single country could not succeed. There tust be a revolution of the workers in every country. Capitalist industry had brought the same evils wherever it buched, the same profiteering by capitalists, the same turns, semi-starvation and degradation for the working ass. The only solution, as Marx had said, was the over- arow of the whole capitalist system by the workers of the rorld. Spontaneous rising would be put down; the eventual evolution must be made by a disciplined revolutionary arty acting through the workers' own organizations. The Russian rebellion of 1905 had brought the workers' rganizations into existence in the form of Soviets. But the

revolutionary party had not been ready in 1905. Two years before the Russian Social Democrats had split: a majority (Bolsheviki) had declared for a small party limited to whole-time workers and devoted to violent revolution; a minority (Mensheviki) had declared for a large party including sympathisers as well as revolutionaries and devoted to more gradual methods. Quarrels between the Bolsheviks led by Lenin and the Mensheviks led by Martov, with Trotsky steering an independent course between them, continued until the World War broke out in 1914. Then Lenin was proved to be right. The Social Democratic Parties of Britain, France, Belgium, Austria and Germany were of "Menshevik" mentality; they had all sworn not to join in the war which everyone knew to be coming, yet they all broke their words: Trade Union leaders in Britain urged their members to fight against Trade Unionists in Germany and vice versa. Lenin had to watch the workers of the world lose their opportunity of combining against the capitalists who, he believed, had demonstrated the fundamental viciousness of their system by making the war. He did not despair but worked hard to keep in touch with the Bolshevik groups in various parts of Europe.

The Revolutions of 1917. Marx had predicted generations ago that in the capitalist weakness which would follow war the workers' chance would come. It came in March 1917, in Russia, and so suddenly that nobody was prepared. A strike broke out in Petrograd following a demonstration of women workers on International Women's Day. By the third day of the strike 240,000 workers were parading the streets of the capital. The Cossacks were called out to drive them back to work but the Cossacks preferred to fraternize with them. Other troops deserted to the workers and helped them to capture the police stations. The Tsar's train was held up outside Petrograd and the "Little Father" was barred from his capital.

The Government was paralysed. As Denikin, the future White general, said: "Owing to the unrestrained orgy of

wer in which the successive rulers, appointed at Rasin's suggestion, had indulged during their short term of ce, there was in 1917 no political party, no class upon sich the Tsarist Government could rely. Everybody sidered the Government as the enemy of the people. treme Monarchists and Socialists alike, the united bility, labour groups, Grand Dukes and half-educated diers—all were of the same opinion." But there was no reement as to what should take its place. Now, as in 1905 workers failed to take advantage of their insurrection. get rid of the Tsar was one thing but to rule Russia mselves was another. They elected Soviets but the mbers they chose were mostly Mensheviks and supported Provisional Revolutionary Government of Liberals—not olutionaries but moderate reformers, the old middle ss with a Prince—Lyov—at their head. It was a ludicrous vation: the workers put the capitalist bourgeoisie into wer without making any stipulations about land-ownerp or for an eight-hour day; the only condition they made s that the left wing parties should be allowed to conduct ir propaganda unmolested. As Trotsky has said in his at History, "the revolutionaries were begging erals to save the Revolution . . . the liberals were begging monarchy to save liberalism." But at the time the surdity of the situation was not realized. The Socialist ders seemed pleased enough with the course the Revolun was taking. They were rudely shaken out of their mplacency by Lenin. He was in exile in Zürich when the ws of the March Revolution came; weeks passed before could arrange with the German Government for leave cross Germany, though at last the Germans agreed and pyided a railway coach for the transport of Lenin and her revolutionaries, thinking that their presence in Russia uld strengthen the peace party in that country. In April nin reached the Finland Station of Petrograd to find a ge crowd of Socialists waiting to welcome him. They rust a bouquet into his arms and crowded round him ling for a speech and expecting the squat little man to

congratulate them on the way they had overthrow Tsardom. Instead of congratulation they heard a speech of the most withering and contemptuous abuse. They had betrayed the Revolution by setting up a Government of Capitalists; the Provisional Government must be destroyed and all power taken in the hands of the Soviet. There must be another revolution aimed at giving "Power to the Soviets, Land to the Peasants, Bread to the Starvin and Peace to all men."

The Bolsheviks thought that their leader was made After all he had spent his life in exile and was completed out of touch with realities in Russia. They continued to support the Provisional Government and waited for Leni to moderate his views.

The life of the Provisional Government depended on i success in conducting the war. Failure to organize Russi for war had been the cause of the downfall of the Tsa The magnitude of that failure cannot be exaggerated Russia was the first power to mobilize in 1914; millions men were rushed to her western front, but so ill-armed ill-clad, ill-fed, with such scanty provision for healt equipment and reinforcement that they had died like fli in the marshes of Prussia and the trenches of Poland; last they had begun to desert: it is said that over a million Russian soldiers left the lines to make their way back to the villages in January 1917. Yet the Provisional Governme was determined to carry on the war. They had more es thusiasm but not much more competence than the Tsarist They organized a great offensive for June but the Kronsta sailors mutinied, whole regiments mutinied, the offensi was a complete failure. The news of the failure mad Petrograd seethe with revolt. Sailors and soldiers poure into the capital and joined the factory workers in the cry "Power to the Soviets" and "End the War." The Prov sional Government was equal to this crisis. It put the blan for the demonstrations on the Bolshevik faction, convince the demonstrators that Lenin was a German spy and th the peace agitation was part of a plot to betray Russia

Germans. The Bolsheviks went into hiding. The prisional Government reorganized itself, with Kerensky, awyer with oratorical gifts, in place of Lvov.

in the late summer and early autumn the Revolution guished. Lenin and some Bolshevik leaders were in hide, others were in prison. Party-members in the Soviets re urging them to strike at once at the Government. min held them back; he knew that the time was not t, that he must wait until Kerensky had dug his own we and public opinion come round to the Bolsheviks. At last he gave the word. An Imperialist general, Korni-

c, had attempted a coup d'état; his failure had demonated the weakness of the forces of reaction and subquently the Bolsheviks won a majority in the Petrograd viet. On October 23 Lenin announced at a secret meetc of Bolsheviks that the party would seize power in fifteen ys. The two weeks passed in a flash, there was hardly he to organize a few hundred young men into a secret Red Guard," to arrange with munition workers to steal mbs and machine-guns, to sound telephone operators, d to warn friends in the police and in the Aurora, the ttleship whose Bolshevik crew had brought it up the Neva

Petrograd. The Bolshevik headquarters were in the nolny Institute—once a school for the daughters of the bility. It was crowded with delegates up for the Soviet ongress, with professional revolutionaries back from exile, th Red Guards and with arms and equipment, with essengers and reporters and curious of every description. mehow through the confusion orders came for the increction, somehow they were carried out. There was thing startlingly dramatic about the Bolshevik coup of endough the capital fell into their hands as if it had en Bolshevik all along. The insurrection began in the hall hours, when at about 2 a.m. Bolshevik detachments gan to occupy the strong-points. At five o'clock the

October 25 by the Julian calendar which was still the official endar of Russia. Following this dating the events of those days became own as the October Revolution.

Provisional Government ordered the Bolshevik Press to seized: the machine-rooms were raided by police and sor machinery destroyed. But the Aurora refused to obey orde to leave the river and provided the Bolsheviks with 1 inforcements and a broadcasting station. At ten o'clock the was a broadcast from Smolny announcing the insurrective and in the afternoon the Soviet Congress met and w carried away by a speech from Lenin justifying the insurre tion and explaining the aims of the Revolution. Later in t afternoon the troops in the Peter and Paul fortress we over to the Bolsheviks and in the evening when the Pr visional Government tried to cut Smolny out of the tel phone system the attempt was easily resisted and the m who were sent to arrest Lenin were themselves east arrested. There remained only the Winter Palace, t Government headquarters where the Kerensky Cabir was in session. It was surrounded by Bolsheviks and by huge crowd of nondescript spectators. In the dark someo opened a back door and the crowd began to surge in t all was confusion inside; the Provisional Governme melted away. Soon after midnight the Bolsheviks were complete control of the capital. So little blood had be shed that the foreign Pressmen in Petrograd could n realize that anything important had taken place.

The insurrection spread to Moscow; here there w fighting, but it was soon ended and the Soviets and t Bolshevik Party took control of the city. It spread to t country districts. A decree of Lenin had given the land the peasants; they raided the manor houses, set up Sovie divided the land among themselves. Later the Bolshev Government were to suffer for this step, were to regret th they had not nationalized the great farms instead of alloing them to be partitioned into uneconomic holdings incompetent peasants. But in 1917 there was really no alternative: only by satisfying the peasants' land-hunger couthey be won over to the Revolution.

Satisfying the food-hunger of the town-workers was more difficult matter. The economic system of the count

d broken down under the pressure exerted by Kerensky organizing the summer offensive. The Bolsheviks had to nfiscate supplies and ration them out to workers, improing a system on the lines of those already in operation other belligerent countries.

Treaty of Brest-Litovsk. The greatest of all Lenin's ficulties was the war. Somehow the mad loss of life on German front must be stopped. An armistice was signed December 15 and Trotsky was sent to Brest-Litovsk to gotiate a treaty. The delegates of Imperial Germany knew at the Bolsheviks' surrender was unconditional. Trotsky d no bargaining power, he had only his own superbrontery and rhetorical talent. He kept the Conference we, arguing and procrastinating while the Press of the rld was filled week after week with reports of his speeches. The Brest-Litovsk the world was no longer able to ignore a aims and achievements of the Bolsheviks.

At last the evil hour could be postponed no longer: the rman terms must be accepted or Russia would be further aded. The terms were terrible: the surrender of Arnia, of the Ukraine and of all the Baltic States—in other rds Russia was to be deprived of a quarter of her populanand of her rich farm lands, a third of her factories and ee-quarters of her iron industry and coalfields. The sheviks wanted to refuse to sign but Lenin knew that price was too high to pay for peace; he also knew that rmany would not be strong enough to enforce her terms. a great effort he secured a majority of one for acceptace. A few months later Imperial Germany collapsed and treaty was a dead letter. But by that time Russia had Finland, Estonia, Latvia, Lithuania and a large part Poland. These she has never regained.

e Civil War. Peace with Germany meant war with the ied Powers. The Allies had huge ammunition dumps in ssia; they could not stand by and watch these fall into rman hands. What is more they had huge investments in

Russia and the new régime had repudiated the debts of the old; the fortunes of thousands of British and French share holders depended on the overthrow of the Communists. S the Allies got into touch with the counter-revolutionar leaders and sent them reinforcement. No one doubted that the Communists would be defeated. In 1918 every han was against them. In the west there were armies of 75,00 Poles and 70,000 Rumanians, to say nothing of a Germa army which had set up a Cossack Government in th Ukraine with the intention of making it an independer State under German tutelage. In the north there wer 14,000 British and counter-revolutionary (White) troop round Murmansk and 32,000 round Archangel. In th south French troops were massing in Odessa and roun Batum and a White army under General Denikin was be sieging the industrial towns of the Don. In the east While Russians held the line of the Urals, helped by 55,00 Czechs. These Czechs were in arms on Russian soil a the time of the Revolution; the Bolsheviks had promise them a safe conduct home by the Far Eastern route, by when it became obvious that their arms would be used b the White forces the promise was withdrawn. The Czecl found themselves scattered in a hundred and ninety train along the length of the Trans-Siberian railway. They dete mined to fight their way home; thanks to them the Whi Armies kept control of the railway. Away in Siberia Admira Kolchak was organizing the White Armies; he was in touc with the Japanese who were pushing westward from the Pacific Coast and was helped by British and American the latter having undertaken to clothe and equip 100,00 of his troops.

The Bolsheviks' position appeared hopeless but it was no bad as it seemed. The foreign Powers, after raising the hopes of the Whites, began one by one to desert them. The defeat of the Germans in Western Europe entailed the with drawal of their troops from the Ukraine and the collapse that new-born republic. The French now hoped to make the Ukraine a French protectorate and the Black Sea

ench lake, but in April 1919 orders came from Paris for French forces to evacuate Russian territory within three ys. Before they left, the French had time to destroy thirty hite submarines, to prevent their falling into the hands of Bolsheviks, or—incidentally—of any other Russian overnment. The British were the next to desert their hite allies; very successfully the British troops, which d been increased to twenty-eight thousand, evacuated orth Russia in the autumn of 1919. The only army of a ajor foreign Power now left in Russia was that of the panese and they were obviously more intent on seizing adivostok and the Chinese Eastern Railway than on operating with Kolchak.

Now it was a straight fight between the Bolsheviks and e White forces. In June 1919 Trotsky had been put in mmand of the Red Army. He was no soldier but he had genius for organization. Out of the remnants of the old perial Army, out of factory workers and peasants he eated a force that was worth the name of an army. Its mbers were estimated at 400,000, which included 30,000 Imperial officers. He had war material and munitions in enty, the difficulty was in finding transport—the railway stem had crumbled under the strain of war. Yet somehow otsky got his men into position and succeeded in concting a war on sixteen fronts. He himself spent two and half years in the train which was the Red General Headarters, dashing from front to front with news, plans, uipment and encouragement and with the incalculable storative force of his own personality. "Lenin," wrote macharsky, "is perfectly fitted for sitting in the Presint's chair of the Soviet of People's Commissars, and guidg with genius the world revolution, but obviously he could t handle the titanic task which Trotsky took upon his oulders, those lightning trips from place to place, those agnificent speeches, fanfares of instantaneous commands, at rôle of continual electrifier, now at one point and now other of the weakening army. There is not a man on rth who could replace Trotsky there." Not all the Soviet

leaders were loyal to the Commander-in-Chief: Stalin disapproved of his use of ex-Imperial officers and urged Leni to recall him, but Lenin gave Trotsky full backing.

In 1919 the White offensive began. Before the spring came Kolchak began his drive towards Moscow. In the summer Denikin advanced from the south until a third of Russia lay behind his lines. In the autumn Yudenitch was advancing from the White Sea on Petrograd. Lenin was for abandoning the city but Stalin succeeded in scraping together an army and Yudenitch turned tail: by Februar 1920 the Reds were in possession of Murmansk and Archangel where they executed five hundred White officers and buried them in a common grave; Yudenitch escaped with his private fortune in a British ship. In the same month Kolchak was captured and shot. Denikin's offensive had no greater success; his far-flung lines were pierced and soon nothing was left of his army but a sorry detachment under Wrangel in the Crimea.

The White generals had failed; divided command mutual jealousy, half-hearted foreign allies and contradictory aims had ruined their cause. The Red Army had the advantage of a single command, of fighting on inner line and, above all, of a crusaders' enthusiasm for a new social order.

In the spring of 1920 there remained in the field only on powerful enemy of the Soviets: the Poles. The two begenerals which the Red forces had produced, Budenny an Tukhachevsky, were sent against them, but in May Pilsuc ski captured Kiev and in June he drove Budenny's cavalrout of the Ukraine. The Communists rallied and began great drive on Warsaw: Pilsudski saved his capital i August and drove Tukhachevsky back by "carryin through a manœuvre so dangerous as to necessitate no only genius but heroism." The Reds lost 150,000 men i two months. In October 1920 peace was signed wit Poland. Communism had emerged victorious from the Civil War.

t-Communism. The Allied troops came home with king tales of the barbarity of their enemies. They had admiration for their White allies whose cruelty was as brgivable as their incompetence—"The deeds of the White chieftains, Atamans Semynov and Kalmykov. ld have done credit to Genghis Khan," wrote the hisan of the White Armies—but for the barbarity of the s no words were strong enough. All the old stories of oners tortured, women raped and babies butchered ch had been told of the Bosches in 1914-18 were told n now of the Bolsheviks. This time there was some truth hem. The Bolsheviks in their revolution, like the French heirs, used Terror as a weapon. In September 1918 an raordinary Commission for Combating Counterolution (Cheka) was set up on the lines of the Tsarist rana. Soon it had agents and spies in every part of sia and everyone who could not prove himself a sincere lutionary was liable to be shot. The numbers of those died in the Red Terror can never be known and for reason they will always be exaggerated; the least edible estimate is that which puts the number officially uted in 1918-19 as 70,000.

o win the war the Bolsheviks had resorted to a system meral conscription which they called War-Communism. Ore no relation to Communism, the system which they called ultimately to establish. Under Communism there ld be no class-distinctions, no dictatorship. Under communism dictatorship was carried to its farthest eme. All supplies were declared State property and economic function after another was brought under the rol of the Government. Foreign trade was taken over by State, debts were repudiated and private property onalized, the grain of the peasants was requisitioned on payment of nominal sums and on pain of death. By 1918 the system was complete. Thanks to it the Boliks were able to win the Civil War, but it lost them the port of the peasants who had not evicted their landlords reder to put in their place taskmasters a thousand times

more severe. The peasants suffered atrociously. It is est mated that millions died of starvation in 1921 when the harvest was ruined by an unprecedented drought. The began to slaughter their cattle and to refuse to sow the spring crops. Outbreaks against the Bolsheviks occurred invarious places in the spring of 1921 and spread even to the sailors of Kronstadt who had been among the first supporters of the Revolution.

The New Economic Policy. Lenin had no alternative but to abandon War-Communism and to re-introduce particles. of the old capitalist system of private trading. Step by ste and against the opposition of most of his own supporter who protested that this was contrary to orthodox Marxis he introduced the New Economic Policy. Compulsor grain collection from the peasants ceased, instead they we asked to pay a definite tax in kind and were allowed to se their surplus products in the open market as of old, Gover ment control of industry relaxed, small firms began manufacture for profit in the old way and concessions we allowed once again to foreign companies; the great it dustries were encouraged to organize themselves into Trus and were allowed to manage their own affairs, subject to vague supervision by the Supreme Economic Council the Soviets to which they handed over any profits th remained when they had set aside reserves for developme work and for a new standard of welfare for their worker Distribution by private agencies on a profit basis w allowed to begin again and a new currency based on the chervonetz was put into circulation in place of Tsari roubles and the ration cards of the War-Communis periods. But here as in industry the N.E.P. did not involve complete return to competitive capitalism. The Gover ment encouraged Co-operative Societies for distribution and soon these grew to enormous dimensions with the own factories at home and agencies in foreign countrie Finance too was under Government control; Gosbank, t State Banking Institution, was set up in 1921 with contr

the other banks and financial agencies of Soviet Russia. he N.E.P. was even further than War-Communism from Marxian ideal. Private capitalists (Nepmen) grew rich nordinate profits. Clever peasants added acre to acre herd to herd until some were as wealthy and employed hany labourers as the old landlords; the villagers were ding themselves into two classes, Kulaks or rich peasants Bedniaks or paupers. The Government tried to level classes by heavy direct taxation but this method made nies and brought in little to the treasury. Yet the N.E.P. ed its purpose well; it was intended to give a breathing e while the Bolsheviks laid their plans and organized r forces for a drive towards State-Capitalism which was be the next step towards the Communist goal. The ntry recovered from the famine of the Civil War years, peasants lived well and in the towns there was food for who had money to buy. The export trade of Russia ed up again, rising in value from 1.4 million roubles in to 20.2 million in 1921, 81.6 million in 1922, 205.8 in 3. Economic recovery had been achieved. The Comists were established in power, it remained for them to blish their revolution.

II: THE UNION OF SOCIALIST SOVIET REPUBLICS

In 1923 the new political Constitution was proclaimed Instead of an Empire ruled by a Tsar and an aristocratic caste, Russia became a confederation, a Union of Socialic Soviet Republics. The confederation included seven Republics: a few words about each are necessary to give some idea of the immensity and diversity of the Soviet Union.

The Republics. By far the biggest unit is the Russian Socialist Federated Soviet Republic. It stretches from Smolensk to the Pacific, from Leningrad (Petrograd) to the Caucasus and comprised at the census of 1926 over a hundred million inhabitants. Within its boundaries at seven "autonomous States" ranging in size from the vary Yakutsh Republic in Eastern Siberia to the tiny Crimea Republic, and in character from the Oriental Burian Mongolian Republic to the German Republic on the Volgwhich includes the descendants of the German colonis who were settled there by Catherine the Great in the eighteenth century.

Bordering on the capitalist States of Europe are the Whi Russian S.S.R. with nearly five million inhabitants are the Ukrainian S.S.R. with nearly thirty million. The Ukrainians are not Russian in race or language and a not conspicuously Communist in conviction. It might be thought that the best solution would be for them to become an independent nation, but the land they inhabit is fertile and so rich in minerals that it has always been the object of jealousy on the part of neighbouring States. It the close of the World War, Germany and France, Polar

Rumania, as well as Russia, all had designs upon the raine. The capital, Kiev, and most of the territory was quered by the Red Army and the Urkainian S.S.R. was up. Conquest has been justified by the fact that the rainians in the U.S.S.R. have fared much better than r brothers in Poland and in Rumania.

he Trans-Caucasian S.F.S.R. is equally un-Russian in and language. It includes Azerbaijan, Georgia and nenia, three distinct nationalities. In each area there a movement for independence when the Tsarist and oman Empires broke up under the strain of war. But the Ukraine the Trans-Caucasian countries were far rich to be allowed independence by the Great Powers: orgia has some of the most valuable manganese deposits the world, Azerbaijan includes the oil region of Baku. It is the Ukraine the Trans-Caucasian peoples were contred by the Communists and if we compare their subject treatment with that accorded by the capitalist vers to the Kurds of Mosul (see page 243) we cannot atly regret the conquest.

he three remaining Republics of the U.S.S.R. are less ortant. The Uzbek S.S.R. covers the mountain region th of Afghanistan, the Turkoman S.S.R. marches with key and the Tadzhik S.S.R. with British India. They remote from Moscow in every sense, their country is intainous, their habits barbarous and their religion that Mahomet. It must go to the credit of Moscow that there tribes in Afghanistan and Persia and in the North-West vince of British India who are envious of their lot.

he Tsarist régime had attempted to iron out all national erences, the Soviet régime encouraged them. Each of Republics and their component States has cultural pnomy, the right to use its own language and to manage pols, public-health, and the Press on its own lines and er its own control. There is nothing in the Constitution 923 to prevent a member-Republic from seceding from U.S.S.R., just as there is nothing to prevent a neighring State, such as Finland for instance, or Turkey or

Chinese Mongolia, from joining it. But in practice it mbe doubted whether secession would ever be permitted. The Soviet Union has gone a long way to solving the nationalist problem: it has not yet solved it. Nation-groups a allowed to preserve their own culture but they must developed their economic resources for the good of all. Their relations to Moscow may be compared, very roughly, to that Wales to London: the Welsh have their own Universand their own Church, their language is taught in the schools and broadcast on the radio but their coalfields a developed in the interests—more or less—of Great Brital and their prosperity rises and falls with that of the Unit Kingdom.

The Soviets. The binding force of the Union is n therefore, identity of race or religion but common allegian to the principles of Marxist Communism. "The Marx theory," according to G. D. H. Cole, "lays down that transition from a capitalist to a communist society must carried through by a dictatorship of the proletariat (i the wage-earning classes) acting upon social institution evolved by the proletariat itself. This is the method which the Revolution was in fact achieved; and the the forms the basis of the Constitution of 1923, though only p of it is actually expressed in that Constitution. It was revolt of the Russian proletariat, aided by the disaffed army, that made the Revolution; the institutions which evolved were the Soviets, or Councils of Workmen, Sold and Peasants; and the instrument of proletarian dicta ship was, and is, the Communist Party."

The Soviets are the basis of the whole structure. Beginn with small-town, rural and factory Soviets and mount through district, provincial and large-town Soviets system reaches its apex in the Council of Soviets who meets once a year and is in theory the supreme legisla body. This Council together with the Council of Nationities elects a Central Executive Committee which in the elects a Præsidium which controls the Council of Peop

mmissars, or heads of Government administrative determents. The office of President of the Council of Comsars is the nearest to that of President of the Unionain held this office but his power was derived not from ut from his personal control over the Communist Party; new President, Kalinin, is no more than a figure-head, ex-peasant who is useful for performing public functions as laying foundation-stones and delivering set speeches anniversaries.

anniversaries.

bout the Soviets two points are worth noticing. First, y are not elected by the usual democratic method of ret ballot. Their election follows more closely the aker method of ascertaining "the sense of the meeting" not the parliamentary method of counting votes cast for sosing candidates. No two elections are alike but members usually elected something after this fashion: the chair-nof the Soviet calls a public meeting, announces the ness of nominees for vacant places, delivers a speech ising the Soviet's past work and outlining its future icy, answers questions, asks for additional nominations; if none is given (this is generally the case) calls for a w of hands in favour of his nominees and if these hands a majority of the meeting, declares the new men and men members of the Soviet.

econdly, in the Soviets the town-workers have stronger resentation than the peasants; for instance the Central agress of Soviets includes one member for every 25,000 m-workers and only one for every 125,000 peasants. The volution was made by town-workers for town-workers: shall see later some of the difficulties that were experied in bringing the peasants into line.

e Communist Party. Like most written Constitutions t of the U.S.S.R. makes no mention of organizations ich are the vital force of the State. The Communist ty is not mentioned, yet ever since 1917 it has exercised ictatorship over the whole Union. It is not a political ty in the parliamentary sense: it is a society of devotees

to whom the nearest parallel is the Society of Jesus. The Communists, like the Jesuits, are carefully selected, serve an arduous novitiate, take vows of poverty and obedience Their numbers vary, but two million-or one in every eighty of the population—may be taken as an average for the year 1934. They are recruited sometimes from adul workers who offer themselves for membership and survive a preliminary examination and a period of probation, more usually from the Komsomols, or junior branches, which include people from the age of sixteen to twenty-four and which in turn are largely recruited from the Pioneers, the children's organization. The discipline of the Party i unbelievably strict: a high standard of personal behaviou and of service is demanded, a low salary was, until 1934 insisted upon, and at frequent intervals the records of members are examined and the weaker brethren expelled No other party is allowed to exist.

In theory there is no reason why the Communists should have power in the Soviets but in practice they invariably do The Communists are the keenest public servants and it would be unthinkable not to elect at least one or two to every Soviet. Public administrative appointments also must be given largely to Party members since they more that anyone else have tried to fit themselves by voluntary training and discipline for such positions. And so it comes about that the real ruling body in Russia is not the Council of Soviets but the Congress of the Communist Party, and the real executive is not the Central Executive Committed but the Communist Politburo. The present Secretary of the Politburo is Stalin; he holds no other official post, yet he in fact Dictator of the U.S.S.R.

The Collectives. In its actual working the constitution of the U.S.S.R. is both more democratic and more dictional than the above description suggests. Certain institutions which have been created spontaneously by the winof the people play a tremendous part in the life of the Union Since the period of War-Communism the general control

ustrial policy has been exercised from above, by the cory managers, the company trustees and the Government. But the Trade Unions which were formed in Tsarist is have grown in strength until they have come to take in the work of the Ministry of Labour and so to be a it of the Government machine itself. The Consumers' coperatives too have grown from a position no more contant than that of the Co-operative Societies in Great tain to the point of controlling the greater part of retail cribution.

a more interesting democratic organ is that which for nt of a better name is known as the Collective. In every tory and mine and workshop, in every ship and big farm, every college and public institution a workers' committee ms itself by some means amounting to election; these nmittees or Collectives speak in the name of the whole ly of workers and hold themselves responsible for cipline and for the maintenance of the esprit de corps of institution. They criticize the work of the labourers I of the managers, pillory the slack and praise the cient, they suggest improvements in the methods and aditions of the work and suggest modifications in the ms sent down by the Government. Their functions are ficult to describe and their importance difficult to exagate. The nearest parallel to the Collectives in the Western rId is not a very well-known one: they are what the body prefects is in a British public-school.

e O.G.P.U. Over against these democratic organs and comparative autonomy of the Republics must be set instrument of dictatorship whose work has shocked the side world into ignoring almost everything else good or in the Soviet Union.

The Constitution of 1923 established a United State itical Department (O.G.P.U.) to take the place of the eka and to "combine the revolutionary efforts of the ted republics in the fight with political and economic inter-revolution, espionage and banditism." The

O.G.P.U. has a great central office (Lubianka) in Moscow it has troops of its own, general control over the police forces of the Union and rights of interference in the autor omous Republics which are denied to the official Central Government. Its officials have extraordinary privilegesspecial shops which are always well-stocked, special cor partments on every train—and most extraordinary power In every corner of the Union and in every walk of life the are secret agents of the O.G.P.U., men and women wl have been scared into spying on their neighbours and activ as informers on their friends by threats of conviction counter-revolutionaries. When a culprit has been convict by the O.G.P.U. the usual punishment is solitary co finement followed by a term of compulsory labour. It h been estimated that 250,000 political prisoners were forc to work on the construction of the White Sea Canal.

Horror of the O.G.P.U., and exaggeration of its cruel is even more general inside the Soviet Union than outsid Allan Monkhouse, who was himself a victim of the O.G.P.I may be quoted in evidence of that: "In Moscow of frequently hears fantastic tales of physical tortures to whi the O.G.P.U. are reported to subject their victims. Ma of these alleged tortures completely eclipse the horrors the Spanish Inquisition, but it is my own conviction the such methods are not used by the O.G.P.U., and, in fa I very much doubt whether many of their reputed victi are ever shot. The O.G.P.U. have a definite purpose circulating such wild stories of their methods, and there little doubt that, when they detain their own nationals questioning and examination, the mere existence of th rumours is in itself sufficient to so terrify their victims as make them comply readily with the examiner's deman without the O.G.P.U. officers themselves resorting to a thing other than a little exaggerated politeness and firmn Whether torture and the extreme punishment are used not, one thing is certain, and that is that the O.G.P. have struck terror into the hearts of the whole popula Every dweller in the U.S.S.R. walks in fear of those w

ide at the Lubianka and their agents. The mere name of O.G.P.U. is seldom referred to audibly and openly."1

in Dies. Before the Constitution of 1923 was actually lished the Russian Revolution had lost its guiding hand. in had not made the Revolution—it would have haped if he had never lived—but he had led it. Under his lance the old Russian Socialist Party had focused the osition to Tsarism, under his guidance it had split the Bolshevik faction had branched off to become a ly revolutionary party. His genius had chosen the ment for insurrection, so happily that the capital fell his hands without bloodshed. He, Lenin, had taken ssia out of Imperial war; he had won the peasants to the volution by giving them the land; he had steered the ntry through the period of Allied Intervention and of il War; and at the end of it he had reversed the policy War-Communism and by his New Economic Policy saved Communism from a counter-revolution and people from starvation. It was this last tremendous task t broke him. Ever since 1917 he had worked unnittingly, keeping the general line of Communist policy ar in his mind while he held together his group of errelling temperamental Commissars, waded through a ss of detailed work which would have overtaxed the ergies of a whole department, and maintained a goodmoured and intensely human relation with the thousands men and women who came into contact with him. In pearance he was almost insignificant—a stout, unobtruc little man with bald head and reddish beard, quiet and pd-tempered in manner, neat and puritanical in habits et there was a spiritual force in him that made him stand head and shoulders above his fellow workers. It was thinkable that the Revolution should be without him, was unthinkable that he should die. Yet he had been pt in 1918 and the assassin's bullet was still in his neck ile he went on working year after year at a pitch which

¹ Moscow, 1911–1933.

even an unwounded man could not keep up. In May 1922 he had a stroke, recovered and in spite of the insistence of doctors that he should rest, went back to work. In March 1923 he had another stroke; this time the effects were more serious: Lenin was left with his right side paralysed and the power of speech gone. There was no alternative now but to retire to the country. From his retirement he still dictated the main lines of policy, preventing Stalin from persecuting the non-Russian nationalities, guiding the New Economic Policy, persuading the Congress of Soviets to adopt the principle of State planning for industry. In January 1924 he died. Russia is still mourning him with a spontaneous and unflagging sincerity.

Stalin versus Trotsky. Who was to succeed Lenin? In the inner circle of the Communist Party four men stood out. Of these three seemed to lack the qualifications for leadership. Zinoviev was a fine politician, Kamenev a magnificent orator, but both were unstable; Stalin, the Secretary of the Party, was stable enough but was unknown, "a useful servant," somebody said, "but no master." The fourth, Trotsky, was a born master. He was known all over the world as a writer and a war-lord, as an orator and an organizer. Every Russian was familiar with his fiery, brilliant personality and his portrait was hanging in millions of homes side by side with that of Lenin. Trotsky, everyone expected, would succeed to the leadership of Russia. But Trotsky had many enemies, he made enemies as naturally and as carelessly as Lenin made friends. Long before Lenin died Communists had been working to manœuvre him out of position. In January 1924 the reins of government were taken over by a triumvirate of Zinoviev, Kamenev and Stalin. Throughout that year he was ill with some nervous disturbance that kept his temperature above normal and when he recovered, in 1925, his office of Minister of War was taken from him and he was given work in the electrification and scientific departments. Here he felt that he would have great scope: had not Lenin's formula been

Electrification plus Soviets equals Communism?" But triumvirate seemed actually to be working away from mmunism. The N.E.P. had brought foreign concesnaries back into Russia and had allowed individual ders (Nepmen) to make private fortunes. In the country tricts the Kulaks were hoarding grain and evading taxon and were beginning to emerge as a new landowning ss, hiring labour and growing rich as the old aristocratic prietors had done. Trotsky accused the Party of aiding I abetting Kulaks and Nepmen. He accused them of hing at State-Capitalism instead of at a permanent Commist revolution. Trotsky and his friends formed an position within the Communist Party. They took their nd on the old policy of revolution not only for Russia t for the whole world, with the old slogan "Workers of World Unite."

Meanwhile Stalin was establishing himself at the head the Communist Party. He saw clearly that the time for rld revolution was not yet. Turkey had repudiated Comnism, the British General Strike of 1926 had failed, the inese Revolutionary Party expelled the Communists in 7. The Soviet Union had its own problems, problems so ighty that they could not be solved if energy were wasted foreign intervention. Above all they could not be solved here was dissension within the Party. Stalin soon outnœuvred Zinoviev and Kamenev. Then in 1927 he 1 Trotsky expelled from the Party.

The new Dictator of Russia was not a prepossessing tracter. He was a beetle-browed Georgian with a reputation for perseverance and ruthlessness. Born in 1879, a obler's son, he had been intended for the priesthood but I been converted to Marxism at an early age and had some a disciple of Lenin, whom he had followed with the nt devotion of a dog until his master's death. It was Lenin o gave him the nickname of Stalin, "man of steel." c part he played in the Revolution of 1917 was insignitut but during the Civil War he distinguished himself by anizing the defence of the city of Tsaritsin which would

otherwise have fallen a prey to the Whites (the town walter re-named Stalingrad); he fought against Kolchak Siberia; he organized the army which saved Petrogram From Yudenitch and he drove Denikin from the Done Basin by promoting a certain Sergeant Budenny to the he of his newly formed Red Cavalry. After the Civil War worked on steadily and inconspicuously in the interests the Party; when the Kronstadt sailors mutinied in 19 it was Stalin who was sent against them and who place the machine guns which forced their surrender. Les rewarded him with the post of Secretary to the Commun Party. The post had previously been offered to Trotsly who refused it as giving too little limelight to his genius.

Towards State-Capitalism. Stalin worked steadily bring the economic life of the country under Governme control. Industry, by the N.E.P., was left in private hand Gradually difficulties were put in the way of obtaining ra materials and the private producers began to combine Trusts, and after a time the Trusts were amalgamated nineteen great Syndicates controlling the greater part Russian industry. When centralization had reached tl point it was not difficult for the Government to assume co trol. It was found that the Syndicates had machinery f distributing their products which overlapped the simil machinery of the Consumers' Co-operative Societies, the business of marketing was left to the Co-operativ and the Syndicates turned themselves into combination confined to the business of planning and controlling finan and manufacture. A further step in centralization had the been achieved.

Certain industries remained outside the Trusts but the soon began to come in. Small crafts and peasant industri were induced to join Producers' Co-operatives throug which they bought their raw materials and to which th sent their work for marketing; peasant-manufacturers where their work in selling their own work in the open market we in danger of being branded as Kulaks. In a similar fashion

old Trade Unions which had been formed under the rist régime were expanded, by the grant of pricelections and other privileges to members, until they came nelude the vast majority of industrial workers. The gn companies who had been granted concessions under N.E.P. were not encouraged to retain them; instead ign firms were invited to import machinery and to sign nical aid contracts to supply engineers and expert ervisors to set up and run the machines under the let system.

he N.E.P. began to emerge as a system of State-Capital-But in certain essentials the system differed from that ny country which can be called capitalist. The whole ception of profit was different. Under the Soviet system profits were handed over to the State and the State reed only 12½ per cent of the sum for the disposal of the st. The whole conception of price was different: instead aving prices to be fixed by the "eternal and immutable of supply and demand" or by agreement among ployers, the State undertook to fix prices. In some cases price fixed was below cost of production; in most cases as far above, in order to leave profits for the State. In way high prices formed an indirect tax paid by the sumer, though it must be added that grants paid out by State to industry amounted in many cases to much e than the profits paid in.

Vithin the factories themselves a strange method of conhad come into being. Direct control lay with the nager and directors of the Trust, who might or might be Party members. On the other hand some degree of trol lay with the Collective. When disputes arose been the management and the Collective there was a third y to be consulted: the factory branch or cell of the nmunist Party whose business it would be to remind h managers and workers of their mutual duty to the insets of the Revolution as interpreted by the Communist ty.

Il this was a long way from Socialism. A decade after

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the Revolution the Bolsheviks had got no further than ove throwing the capitalist State and putting a Bolshevik dictatorship in its place. The Revolution was proceeding of lines very different from those contemplated by Marx who had expected it to take place first in a developed countalike England rather than in a backward country like Russia, and who had imagined that it would spread rapidle over the industrialized world. By the end of 1927 there was little life in Communism outside the Soviet Union.

Within the Union Marx' works were read like a Bible. H. Communist Manifesto of 1848 was the gospel of the Russia Revolution as Rousseau's Contrat Social, written a hurdred years before, was the gospel of the French Revolution Lenin had established himself as the inspired exponer of Marxism. The struggle between Stalin and Trotsk took the outward form of a fight between two interpretations of Marxism and Leninism. The victory of Stali meant that Stalin's interpretation was taken henceforth a orthodoxy and doubts as to the directness of its inspiratio constituted heresy which was as deadly a sin in Sovie Russia as in Mediæval Christendom.

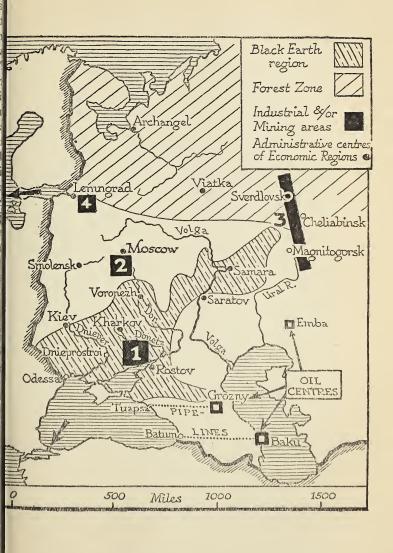
III: THE FIVE YEAR PLANS

HE COMMUNIST LEADERS had known from the beginng that unless they could organize Russia's natural represences they would be at the mercy of the capitalist Powers. If we are not able to organize our heavy industries," nin had said, "then as a civilized State, let alone as a cialist State, we will perish." He had made the developent of electric power one of his first objects, setting up a ate Commission for the Electrification of Russia in 1920 d conducting untiring propaganda for electrical delopment.

he Method of Planning. Nothing came of these schemes ring his lifetime but the idea of the necessity of industrial velopment took root in the Communist mind, and in 25 the first machinery for State economic planning was it into operation. Each factory, mine and Trust was ked to prepare annual estimates of their production and pacity. These estimates were checked and corrected by e Economic Councils of the other respective Republics hich then submitted them to the various departments of e Supreme Economic Council of the U.S.S.R.—a body hich was in fact the Council of Commissars. There was en instituted a body of experts—numbering some seven undred in all—known as GOSPLAN, whose function it was correlate all the plans, weld them into a practicable instrial scheme for the whole Union and submit them gain to the Supreme Economic Council. The latter would en confirm the State Plan and send the figures back to the ines, factories, etc., as their objective in production for e coming year.

By 1928 this machinery was in working order. Stall had now got rid of Trotsky and of all other opposition within the Party ranks; he was now able to launch a gre economic offensive with a threefold object. The first w to make the Soviet Union self-supporting: "We must," said, "undertake the transformation of the U.S.S.R. fro an agrarian and weak country dependent upon the capric of the capitalist countries into an industrial and powerf country quite independent of the caprices of world ca italism." The second was to reorganize the agricultur system on the basis of large mechanized farms instead small peasant holdings. The importance of this was politic as well as economic: not only would it increase agricultur production, it would also eliminate the peasant propriet who was a natural enemy of Communism. The third obje was to teach the peasants and workers of Russia to read at write; quite apart from the cultural advantages of literac a certain standard of education was necessary if the peop were to be able to play their part in an industrialized Stat

The Plan in Industry. The scheme seemed fantastic in immensity, but the figures were ready, the maps prepar and the Communist Party drilled to perfection for its comi economic offensive. The first campaign was called "T Five Year Plan" and was launched on October 1, 192 Listening to the Party orators who harangued them every spare minute the workers were at first sceptical. Th were asked to subscribe a week's wage, a month's wage the State Loan which was to form the initial capital of the venture, for the Soviet Government was not in a position raise loans abroad as other backward countries could finance economic development. Gradually the idea to hold of the people. Russia, after all, was in peril, t capitalist Press was fulminating against her, hinting armed intervention, attempting boycott. An attack of wa fever seized the workers and they set to work to fulfil t Plan in the spirit of soldiers defending their fatherlan They subscribed to the State Loan, they worked overtir



without additional pay, they ostracized slackers, they con peted with the workers of other factories in reaching the production figures of the Plan, they prepared Counter Plans in which they undertook to exceed the control figure. The Communist Party took every advantage of this élan and kept it alive with the utmost ingenuity. It was announce that the tempo would be increased and a new slogan, "The Five Year Plan in Four," appeared all over the country urging the fulfilment of the Plan by the end of 1932. Prize were offered for keen workers in the form of a decoration and the title of Shock-Worker which carried with it extrations, holidays at the seaside and free passes on the rai ways. The Plan swung forward on the crest of a great Union wide effort of workers.

Foreign powers were sceptical. There was somethin ridiculous about the Russian bear going through the antiof industrialized Americans. But they lent their best er gineers and industrial experts and soon reports came i that the Plan was succeeding. A great electric power static sprang up at Dnieprostroi where by a marvellous feat engineering the river was dammed to turn giant turbine Away in the Urals a new town, Magnitogorsk, arose, wit accommodation for 180,000 workers, and a huge new ste plant began working in full blast, with coal brought from the Kuznetsk mines, two thousand kilometres away. A Stalingrad engineers from Detroit were supervising a ne factory capable of turning out many thousand tractors in year. Away in Trans-Caucasia the oil-industry transforme itself, sweeping away the old small proprietors and th slums where they had housed their workers in Baku. A ne pipe-line six hundred miles long was laid to take the c products to Batum on the Black Sea. In Baku the worke lived a new life, housed in a garden city on the hill about the town, taken to and from work in an electric railwa provided with water from new reservoirs ninety miles awa in the Caucasus, and with clubs, schools, hospitals ar facilities for decent recreation.

These four examples give little idea of the extraordina

sults which the first Five Year Plan attained in heavy instry. The usual way of describing those results is by tistics, but these are notoriously untrustworthy. Every it was naturally anxious to make its output look as high possible and every method, including flagrant falsifican, was used to exaggerate them. A tractor, for the purses of statistics, is a tractor whether it will go or not. A n of steel is one ton of steel at the factory, one ton of steel hen loaded on the railway, and one ton of steel when loaded: that is, sometimes, three tons when the figures pear. In estimating the result of the Five Year Plan in lustry, only a vague conclusion is possible. The Soviet overnment had, on the whole, achieved its object. In five ars it had carried out an industrial revolution such as pitalistic powers had taken a generation or more to hieve.

The Plan involved also a revolution in commerce. In 28 a quarter of the retail trade of the Soviet Union was ll in the hands of private dealers. The Government was termined to force them out of business by encouraging e development of three types of communal trading ornization. The first was the Consumers' Co-operatives: eir turnover was doubled by the Plan and in 1932 they are distributing 55 per cent of all the retail goods in the

Results of the First Five Year Plan in the U.S.S.R. (according to League Nations' World Economic Survey, 1933-34):

Product		Unit (000,000's)	1927–28	Production in 1932		
				Planned estimate		Actual
				Original	Revised	result
pal		tons	35.4	75.0	90.0	64.2
troleum .		tons	11.6	21.7	28.0	22.2
st iron .		tons	3.3	10.0	9.0	6.2
eel		tons	4.0	10.4	9.5	5.9
olled steel .		tons	3.2	8.0	6.7	4.2
achinery .		roubles	1,822	4,688	6,800	7,361
tton fabrics		metres	2,695	4,670	3,061	2,550
ots and shoes		pairs	23	80	92	80
ectrical energy		kilowatt-				
		hours	5,050	17,120	17,000	13,100
				1		

U.S.S.R. The second in importance was the State shops: their turnover was increased fivefold under the Plan until in 1932 there were 70,000 State shops open. Thirdly there were the workers' supply departments attached to large industrial concerns through which the workers could obtain commodities through special ration-cards.

In this connection it is worth noting the large degree of inequality still preserved and actually encouraged at this time in the Soviet Union. Manual workers got specially large rations, Trade Union members had access to special shops where prices were low, sedentary workers got small rations, and non-workers, Kulaks and Nepmen got no rations at all and had to beg or buy what they could in highpriced shops—being disenfranchised they lost their rationcards as well as their vote. For foreigners there were special shops where only gold or foreign currency was accepted; these shops were always well stocked while the shops open to Soviet citizens were often empty or supplied only with the most wretched goods. It was considered necessary to win foreign goodwill and to accumulate foreign currency at all cost. A further instance of inequality was in wages which at this time varied according to the value of the work to the community. The incentive of higher wages and higher rations was still thought necessary to urge individuals to greater effort even after a clear decade of Communist rule.

The Collectivization of the Peasants. In agriculture the Plan was less successful than in industry. Eight out of ten of the people of the Soviet Union were peasants. They had been allowed to seize the land at the revolution and had settled down, after the trials and horrors of famine and civil war, to the hard but satisfying life of peasant proprietors. In 1927 there were no less than 25 million peasant-farms. The average holdings were very small and most uneconomic, the methods of cultivation were primitive and the peasants themselves, who had been left in peace except for visits from Government grain collectors, and

ad enjoyed comparative prosperity since the N.E.P. had een introduced, were averse from all change; they rmed a vast conservative majority within the Communist tate.

Now Lenin had not given the land to the peasants on rinciple. He had allowed them to seize it because he knew at it was the only way of exterminating the landed gentry nd of winning the peasants to the side of the Revolution. very Communist leader had looked on the growth of the easant landowning class with apprehension, seeing it as a otential force for reaction as dangerous as the peasantroprietors of France and other capitalist countries. Rusan agriculture could not reach a high productive level hile the small peasant farm was the unit of production. nd the Russian Revolution could not go on towards stablishing the Communist State if the peasant-family held ne land in full ownership. A new capitalist class had actuly grown up on the country-side. The thrifty and intellient peasants whose crops and herds had thrived and who ad saved their profits were hiring poor peasants as bourers exactly as the old landowners had done. This ulak class must somehow be destroyed.

The Communist Plan for agriculture was as follows. The rm-unit must cease to be the unit of production. Two ew units must take its place: the Sovkhoz, or State farm, in hich the Government owned the means of production nd provided the capital and the peasants worked as bourers in an agricultural factory, and the Kolkhoz, or ollective farm, in which the peasants owned the land, easts and instruments in common and divided the profits qually. There were several types of Kolkhoz, ranging from ne Tovarishchestvo in which the peasants keep their own nimals and tools and merely cultivate the land in common, the Artel on which the peasant has no property but his ottage, garden and poultry, and the Commune or pure olkhoz on which even these are the property of the comunity. The managers of the Kolkhoz were to be elected y the members, either from the peasants themselves or

from the experts which the Communist Party would send down from the cities.

At this point the Communist Party made a great mistake The town-worker who had nothing to lose and who wa subject to the fevers of herd-psychology had rushed enthu siastically into the Five Year Plan. The Communists seen to have imagined that the peasants could be stampeded in a similar fashion. They sent propagandists round the village preaching the gospel of collectivism. They sent collector to ferret out hoarded grain, demanding from each village a definite contribution according to the Plan and hoping that the futility of storing up treasure upon earth would b borne in upon the farmers. They made it almost impossible for the peasant to sell his grain in the private market. In some cases they actually confiscated land and beasts and set up a Sovkhoz. But it was soon realized that direct com pulsion was out of the question and the Sovkhoz wa abandoned as a general model and all stress laid upon the Kolkhoz. There was no difficulty in persuading one type of peasant to join; the ne'er-do-well and the pauper wa always willing to sign on, but the Kulak and the self respecting Ceredniak, or fairly well-to-do peasant, stayed outside, he could see no advantage for him in equality So the Communists began to turn the screw. In the winte of 1929 they launched a great campaign against th Kulaks.

It was almost a second Civil War in which the enemy had no weapons and no foreign help. Kulaks were deported en masse to labour camps in the frozen north, or were drived out of their villages with their families and settled on mars land where there was every probability that they would starve to death. In the first flush of eagerness for the Fiv Year Plan young Communists turned war against the Kulak into war against all peasants who held back from the collective farms. Reluctant peasants were branded a Kulaks and suffered the Kulaks' fate, or else they let them selves be roped into the Kolkhoz, vowing to do no morthan a minimum of work. From the richer agricultura

ions a great cry went up against the Communist Party, inst the Five Year Plan. Reports reached Moscow that chines were being wrecked, cattle slaughtered and cultion scamped. The position began to look ominously that which had arisen towards the end of the Civil War iod. Then it had been alleviated by the New Economic icy allowing private trade, but there was no question nother solution of that sort now: the city workers were reasing rapidly in numbers and food had to be raised in country to feed them; the output of small peasant-farms uld not be enough for that. Stalin was in a dilemma. With at skill and presence of mind he extricated himself from In March 1930 he sent the newspapers an article headed Dizziness from Success," in which he upbraided the Party ents for exceeding their orders. They had forced peasants oin the Kolkhoz against their will: this must stop. They d set up Sovkhozi: this must stop. They had branded well-to-do peasants as Kulaks: this must stop. Stalin d emphasis on the facts that membership of State farms d collective farms was voluntary; that the tovarishestvo and the artel were the most suitable types of farm the first years of collectivization; that the well-to-do asant was the best type and must be clearly distinguished m the profiteer and the employer of labour.

The Communist agents took the lecture in good part: discipline of the Party was too strict to allow of any per attitude. As for the peasants, they breathed a great h of relief; they cut the "Dizziness from Success" icle out of the papers and treasured it as a talisman, any of them walked out of the Kolkhoz (since there was be no compulsion) but they soon came back again when be yound that there was little provision for the marketing private-farmers' goods. The upshot of it all was that the electivization movement went on, the spring sowing was no in time and the harvest of 1930, thanks to favourable eather conditions, produced a record crop.

Stalin and his colleagues breathed again. But soon other crisis developed among the peasants. The great

depression had set in in the capitalist world and world prices were falling rapidly. This meant that the Soviets had to export much greater quantities of grain and agricultural products to pay for the machinery which they had imported to carry out the Plan in industry. They had to increase their grain collections from the peasants. And the peasants, seeing this marketable surplus going to feed city workers and to pay foreign creditors, began another campaign of passive resistance. They deserted the farms and set out in thousands for Moscow and the great cities where there was food, they had heard, for everyone. Many that remained on the land slacked in their work, letting weeds choke their crops and machinery go out of repair: what was the use of slaving to produce a big surplus if the State confiscated it all?

produce a big surplus if the State confiscated it all? This new crisis the Government met by intensive propa ganda in the villages, by a system of rewards for industriou peasants, by liberal loans to the collective farms for amenities such as schools, club-rooms, cinemas, and finally be a passport system which discouraged emigration to the towns by depriving new-comers of access to the shops. When the first Five Year Plan came to an end in December 193 there was still discontent and a low standard of living among the peasants but the chief objective of the agricultural Plan had been attained: the Kulak had been destroyed as class and the peasant-holding had disappeared for ever a the unit of agriculture in the Soviet Union. Sixty per cer of the peasants were at work in State and collective farms

Education. The whole Communist experiment must have failed if the people were allowed to remain illiterate. The Five Year Plan set itself the colossal task of wiping or illiteracy. It succeeded, in spite of such formidable obstacle as the existence of sixty different languages within the Soviet Union. (Schools had to be provided for each larguage group. For instance in Kharkov there were established schools teaching in Greek, in Armenian, in Germa and in Tartar as well as in Ukrainian and in Russian.) I 1914 seventy-three per cent of the people could not read

1932 the figure had been reduced to nine per cent. 1914, 7,000,000 pupils were attending elementary schools d 500,000 secondary schools; in 1932 there were 000,000 elementary and 4,550,000 secondary pupils. Literacy was not the only educational aim of the Plan: was necessary also to train skilled workers for the new hnical industries. For this purpose secondary schools chniciums) were attached to factories, and students tween fifteen and eighteen years of age spent part of their necessaries the learning theory in the class-room and part applying the

owledge in the shops. Schools were also established for ult workers and from these and from the technicium dents might graduate to the technical high schools where

courses were of university standard.

The universities themselves have been most liberally ated by the Soviet authorities. The grants given to all ms of scientific research, from medicine to engineering, e perhaps more liberal than in any other country. And humanities have not been neglected. The theological ulties have been abolished but study of archæology, guages, architecture and history have been given ich more encouragement than in Tsarist days. It may be ected that the historical faculties teach nothing but arxism and wilfully misconstrue current conditions in pitalist countries. The Soviet reply to this is that in pitalist countries history consists of nothing but the ings of kings, priests and soldiers and wilfully misconues the development of "lesser breeds without the law." Artists and writers found themselves in a strange position der the Soviet system. They were required to make their rk in some way a reflection of the Revolution or else to andon the arts as a means of livelihood. The precolutionary litterati were exterminated as a class, though ew such as Gorky found inspiration in the new system. first it appeared that the Revolution would bring an istic renaissance in its wake, for great work was produced architecture, the cinema and the drama. Later the viet Government established an institution known as

R.A.P.P. to censor artistic and literary productions and tallow nothing to appear that had not obvious propagand value. R.A.P.P. was fatal to Russian art and letters; the showed no signs of revival until the R.A.P.P. dictatorshi was ended by a decree of April 1932.

The Second Five Year Plan. In general the first Five Year Plan had succeeded. There were certain obvious deficiencies the quality of industrial goods was disgracefully low, th clothes and boots were shoddy and the light industriproducts were every bit as gimcrack as the stuff turned or by Manchester and Birmingham in the early days of the English industrial revolution. The new machines wer faulty and were shockingly misused by untrained mechanic who were accustomed to no tools more complicated than the hoe and the hand-plough. But no one could have expecte that highly-finished products and skilled mechanics coul be turned out under the frantic pressure of those four year A more serious shortcoming of the Plan was the inac equacy of the provision for transport. Not nearly enough money was allocated to building new roads and railway The great steel industry of Magnitorgorsk was linked to the civilized world by nothing but a single-track line. Another serious blunder was the shortage of housing accommodation in the older cities. In Moscow over 30 per cent of th inhabitants were living five to a room in 1925, and although under the first Plan twenty million pounds were spent c housing in Moscow, the increase of the city's population was such that conditions of shocking overcrowding co tinued. Finally there were two general criticisms to 1 made of the Plan's achievements. The collectivization campaign had alienated the sympathy of the peasants ar the concentration upon turning out capital-goods had le to a shortage of goods for consumption and a low standar of living all over the Union.

The second Five Year Plan (1933-37) was designed remedy these defects and to carry the Russian industri revolution and the establishment of a classless society or re stage forward. According to the proposals submitted the Seventeenth Congress of the Communist Party the as of the Plan were to be:

"(1) The production of consumers' goods to be rebled as compared with 1932.

"(2) The trade turnover to increase from two and a half to three times.

"(3) Prices to be reduced from 35 to 40 per cent.

"(4) Communal feeding to serve two and a half times as many workers and peasants as served hitherto.

"(5) Real wages to be increased 2·1 times.

"(6) The network of the State and Co-operative shops to be increased by 37 per cent."

The first two years of this second Plan showed satisfactory ogress on every front. By the end of 1934 there was still ercrowding in the old cities, still a shortage of mmodities that necessitated rationing and food-queues erywhere, still some lack of enthusiasm for Communism the villages. But the new system was firmly established, oduction was increasing rapidly and every concern in the viet Union was working at full pressure during the years 29–34 when the capitalist world lay in the grip of the eat depression. The private trader, the profiteer and the eculator had disappeared from the towns and in the lages too the danger of his activities was so far passed at in October 1934 Stalin was able to issue a decree storing the citizen-rights to the outlawed Kulaks.

ommunism and Fascism. It would be diverting to read history of capitalist opinion of Bolshevik Russia. Opinion is gone through three distinct phases corresponding to the ree phases of Bolshevism. During the first period, that of a Revolutions and the Civil War, the Bolsheviks in pitalist eyes were, quite simply, the Devil. No story cainst Communists was too tall to be believed, no political

¹ W. Nodel in Supply and Trade in the U.S.S.R.

outrage occurred in any country that was not imputed to Bolshevik machinations. The capitalist fear of Bolshevik plots was paralleled only by the Bolshevik fear of capitalis invasion. During the second period, which began with the N.E.P. and ended in about 1928, Bolshevism was still thought diabolical but now it was also thought a failure The Soviet Union had gone back to private trading, there fore their experiment had failed! But in the third period that of the Five Year Plans, the capitalist world began a last to accept the Russian Revolution. The Bolsheviks had not failed after all. And comparatively speaking they were not diabolical. The world had found new devils for it contemporary drama in the persons of Hitler and of the Japanese.

In countries where parliamentary institutions have survived it is often said that Fascism and Communism amount to the same thing. No comparison could be more superficial. It is true that both systems have abandoned the vote-counting method for ascertaining the will of the people; instead of making what Rousseau called the volont de tous the touchstone of public opinion, they have relied on the volonté générale as interpreted by a party of devotee for which all men are eligible. It is true that both system have forbidden the open discussion of political principle and allow criticism only of ways and means. It is true that both systems have subordinated the aim of individual development to the aim of community development. But there the comparison ceases. The aims of Fascism and Communism are absolutely dissimilar. Economic inequalit is thought natural and necessary by Fascists; by Com munists it is thought unnatural and unnecessary. Fascist put the purity of the race before everything else; Com munists welcome race distinctions. Fascists believe in th political and economic subordination of women to men Communists believe in the equality of the sexes. According to Hitler (and in this context Nazism and Fascism may b taken as one) the place of women is in the kitchen, th nursery and the Church; according to Lenin "pett

isekeeping oppresses, dulls, humiliates women, chaining m to the kitchen and the nursery, wasting their labour work which is brutally unproductive, petty, stupefyly nerve-wracking, oppressive "-and so we find that ile Fascism tightens the marriage bonds Communism kes marriage a mere matter of registration and grants vorce at the will of either party. To Fascists the State is an d in itself; to Communists it is merely a means of purgsociety of class inequality—when this has been done the ate as an instrument of coercion will no longer be needed. The State," said Mussolini, "is the embodiment of the scist ideal." Lenin said: "The State is simply the apon with which the proletariat wages its class war.

special sort of bludgeon, nothing more."

The contrast could be amplified indefinitely. Here there room to take only one more point: the attitude of the o doctrines towards religion. Each makes a clear disction between the things that are God's and the things at are Cæsar's and insists that the latter should be in the re of the State. Fascists recognize that there is room for transcendental religion outside Fascism: Mussolini is a tholic, there are many good Catholics and Lutherans long the Nazis. The Communist leaders, on the other nd, have all been atheists. This does not mean that they ve persecuted religion; no case has been discovered of priest or anyone else being punished for the practice of igion. But they punished the organization of religion, ling obliged to dissolve the Churches which had so en thought that God was on the side of big fortunes. e Communists insisted that the Orthodox, Sectarian, oslem and other Churches in the Soviet Union should nfine their activities to strictly religious functions. They owed no public money for priests' salaries or for religious ucation; they confiscated Church property and forbade surch social activities and moral teaching. At first eir attacks were confined to the Orthodox Church of nich the Tsar had been the Head-upon-earth and which d identified itself with the Tsarist social system. They

pulled down the Temple of the Saviour in Moscow to mak room for a Palace of the Soviets (though by 1923 not tw churches in a hundred had closed down and the Russia people were still insisting on the rites of Church baptisn marriage and burial). Later they felt obliged to attack th Protestant sects and by a law of 1929 denied them liberty propaganda and forbade all religious activities except the of divine worship.

The result has been that organized religion in the Sovic Union has, except in the Moslem districts, died a sudde death. Soviet festivals have taken the place of the feasts the Church, the Communist Party has taken the place the priesthood as the moral authority in the country, an in the great surge of the revolutionary years the names Christ and the Prophet have been little heard upon the lips of Russians. But priests still walk openly in the streets Moscow and administer the sacraments to the faithful, are in the Moslem republics men still turn to Mecca to pray and strive to make, once in their lifetime, the long pilgring age to the Holy City. It is poor criticism of the Soviets the interprets this crusade against the Churches as a crusade against God.

The Achievements of the Russian Revolution. "In the Soviet Union there is no Socialism as yet," said Trotsky "The situation that prevails there is one of transition, for of contradictions, burdened with the heavy inheritance the past, and in addition under the hostile pressure of the capitalistic States. The October Revolution has proclaim the principles of the new society. The Soviet Republic his shown only the first stage of its realization." It is not for the historian to express doubt as to whether the ideal Socialist society will ever be realized in the U.S.S... There is only one criterion by which the achievements of the Soviet Republic may be judged by the historian, and that by comparing the Russia of to-day with the Russia the past.

¹ In a lecture delivered at Copenhagen in November 1932.

ussians were under a dictatorship before 1917 and they under a dictatorship to-day. Opponents of the régime t in terror of the Ochrana before 1917, to-day they go error of the O.G.P.U. Yet there is more liberty in Russia ay than before the Revolution. Individuals have no ger the right to accumulate and bequeath private perty but the national minorities at least may preserve r own language and culture and enjoy the same rileges as pure-bred Russians, and all careers are open talent, provided that the talent is not anti-Soviet. I the country is immeasurably more prosperous. The wealth lies in capital goods and has not yet been inslated into a huge increase of consumable goods. sants to-day are poor and have cracked and leaky boots, before 1917 they were poorer and had, the vast majority hem, no boots at all, but shoes of plaited grass. Workers lay must stand in queues for bread and go short of ats and fats, but their rations are much more satisfying n the food the pre-revolutionary employee could buy h his earnings. Students to-day are crammed with mmunist propaganda and their education amounts to e more than instruction, but in Tsarist days the privilege being a student was reserved for a tiny minority and for majority there was no instruction even in reading and ting. The standard of living as of education and of erty is still lower than in Great Britain or America; the nt is that it is higher than has ever been known in ssia.

desides raising standards within the Soviet Union the mmunist Revolution has put forward certain criticisms the capitalist system which, after 1917, were accepted walid in the Western world. Few people would deny, in 184, that unfettered capitalism is bad for the moral and sysical condition of the mass of men, that the working sees should share in the cultural life of the community, at national economic isolation leads to war and private, and that the political life of a community should in the sense reflect its general philosophy of life. Gradually

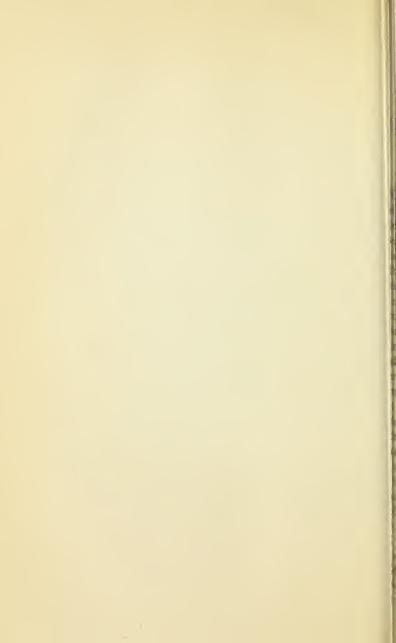
the Western world ceased to think of the Russian Communists as beyond the pale of civilization. There was ingularly little protest when the Soviet Union took it seat in the League of Nations in September 1934.

The most surprising thing to the Communists in post war history is the fact that Communism has not sprea outside the Soviet Union. Marx prophesied a world revolution and all Bolshevik leaders believed in this i 1917 and most of them continued to believe in it until th Chinese revolutionary party expelled its Communismembers in 1927.

The most surprising thing to non-Communists is th fantastic precipitancy with which the Bolsheviks were abl to plunge Russia into revolution in the name of a Wester prophet, Marx. Yet this precipitancy has at least two precedents in Russian history. One occurred nine hundre years ago when Vladimir suddenly adopted Greek Ortho dox Christianity and forced it vi et armis upon his paga subjects. Another took place little more than two centuric ago when another autocrat, Peter the Great, suddenl realized the advantages of Western armaments, technique and manners and devoted an incredibly energetic reign thirty-nine years to forcing them upon the semi-barbarou and almost wholly Oriental population of Russia. Lenin revolution followed the lines of those of Vladimir and Peter in violently and suddenly inoculating the Russia people with a Western serum.

The disease which Lenin set himself to cure was the ravages of capitalist, and largely foreign, exploitation upon Russia. The same disease was at the same time attacking other "backward" countries of the world. Each according to its different lights made an effort to cure itself during the post-war period.

PART THREE THE ISLAMIC STATES



THE BIRTH OF THE TURKISH REPUBLIC

AHOMET lived some six hundred years after Christ; am, the religion founded by Mahomet, is therefore some hundred years younger than Christianity. In this fact the clue to the understanding of the contemporary hisy of the Islamic world. In the fourteenth century of the ristian era Christendom began to go through a critical ase of its growth, a period of violent and apparently sudn changes which historians have called the transition m the Middle to the Modern Age. Christians began to row off the authority of Pope and of Holy Roman aperor, formed new loyalties to secular nation-states and opted a new independence of outlook which was exssed in the rational and scientific spirit of the Renaisice. In the fourteenth century of the Moslem era—that to say in our own time—Islam has begun to go through same phase; the authority of Caliph and of Ottoman pperor has been discarded, Moslems have formed new tion-states and have adopted the scientific technique of e mechanized West. The change may be compared to at which begins in about the fourteenth year of individual man beings when the child becomes adolescent, throws traditional authority, forms new loyalties, and takes on new self-reliance and independence of outlook.

Islam to-day is adolescent, and adolescence is a difficult riod to describe. It will be easier if we leave aside those oslems who are not under Islamic rule—the Moslems of orth Africa, of the U.S.S.R., of India and the East Indies and concentrate our attention upon the peoples who were in 1914 under the Ottoman Empire—that is on the Turks the Egyptians and the inhabitants of the Arabian peninsula—and on their neighbours in Persia and Afghanistan. Here the changes have been most violent and therefore simple to follow.

The End of the Ottoman Empire. The Ottoman Turk were late converts to Islam. They had been a nomad trib pitching their black horsehair tents on the edge of the Gob desert until the advance of the Tartars sent them flying westward as far as Anatolia, where they settled and adopted the faith of Islam. The Arabian Moslems despised them a converts, but they gave the Arabs the very qualities which they most lacked—organizing ability, endurance and a gif for patient administration—and they built up a great Empire, bringing the lands from the Persian Gulf to the Adriatic under a single Moslem rule.

By the nineteenth century the Moslem Empire of th Turks was in decay. As Voltaire would have said, it was neither Moslem, nor an Empire, nor Turkish. Not Mosler because the majority of Moslems lived outside its bound aries; and within its boundaries were huge non-Mosler communities such as the Christians of the Balkans and Asia Minor. Not an Empire because these Christian com munities were organized as independent State-Churche and because foreign Powers had been granted Capitulation by which their traders lived in the Empire under the lav of their own Consuls, not under the laws of the Empir And not Turkish because the language and literature of the Empire was Arabic and because its laws were not made t the ruling class of Ottoman Turks but by God: they well laid down once and for all in the Koran and the Tradition and the right to interpret them lay not with the Ottomai but with the *Ulema* or Men of Learned Path.

The Ottomans tried to revive their Empire by stressin first, its Moslem aspect. Abdul-Hamid II (1879–190) emphasized the holy nature of his office: was he n Caliph, Successor of the Prophet, as well as Sultan? W

not the only independent Moslem ruler and might he t expect that Moslems all over the world would support m as the one sovereign capable of saving their faith from tinction by the infidel? Abdul-Hamid built a railway om Constantinople to Medina, and tens of thousands of grims flocked by rail from Russia and by the new steamip lines from India, Africa and Europe to the Holy Cities the Hedjaz. But there was an air of exploitation about e new railway and steamship arrangements for the Igrimage. The Islamic world looked on the Sultan-Caliph ore as a political schemer than as a spiritual father, and e two great religious revivals of his reign, that of the ahdi in the Sudan and that of the Wahhabi in Central rabia took the form of revolts against the Caliph's thority. Historically they were right; the Caliphate was t intended as a Papacy for Islam but as an executive fice charged with enforcing the laws of God as interpreted the Ulema.

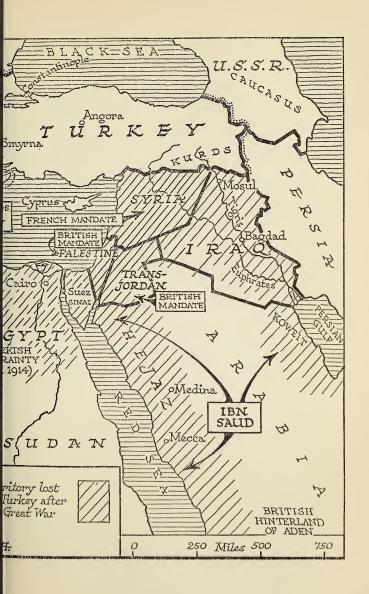
The attempt to revive the Ottoman Empire as a Moslem ntre had failed; the second hope for recovery lay in stressg its Imperial nature. During the nineteenth century oung Turks in exile in Paris laid plans for reorganizing e Ottoman dominions on Western lines; they dreamed of State in which Christians and Moslems and Jews, Turks, rabs, and Balkan peoples should be represented in a demoatic empire on the French model. In 1908 they had a sance to realize their dream. A group calling themselves the ommittee of Union and Progress raised the standard of relatin Salonika and demanded that the Sultan-Caliph should ant a Constitution. To everyone's surprise Abdul-Hamid greed, and the Committee found themselves in power.

Immediately war broke out against the new dictators at onstantinople; Bulgaria declared herself independent, reece seized Crete, Austria seized Bosnia and Herzevina, Italy seized Tripoli. The European dislike of the ommittee's aspirations were echoed by the Arabs. To the rabs the policy of Imperialism meant the Turkification of rabia, a tighter subjection to Turkish rule. In four corners

of the great peninsula Arabs began to plot revolt. In Bagh dad, Iraqi officers formed a secret society to work for the independence of Mesopotamia; in Damascus, similar societies vowed themselves to the cause of Syrian autonomy; in Mecca, the Grand Sherif, Hussain, a direct descendant of the Prophet, was dreaming of a Sherifian Kingdom of Arabia; and in the central oases of Nejd, a certain Ib Saud revived the rule of the Wahhabi. There was no connection between these four movements for independence. The would have had little prospect of success for many decade if the Young Turks had not chosen to declare war on the side of Germany in 1914.

To the Committee of Union and Progress the war seeme a heaven-sent opportunity for modernizing their armamen at Germany's expense, for avenging themselves against the traditional enemy, Tsarist Russia, and for making the Aral forget their talk of independence in the heat of a new Hol War. In this last hope they miscalculated: the Arabs sa nothing holy about fighting for impious Young Turl against the Moslems of Russia and of British India; the leaders determined on the contrary to use the war as ladder to Arab autonomy. In Mesopotamia the Iragis mad no serious resistance to an invasion of British from Indi In Damascus, the Syrians lay down under the weight Turkish military occupation, waiting their opportunity. I Neid, Ibn Saud accepted a bribe from the British as th price of his neutrality. In Mecca the old Sherif negotiate with the British High Commissioner at Cairo, promisir to raise the tribes against the Turks if the British wou recognize his claim to be King of Arabia.

At first the British were not impressed by Hussain's off of help. They tried a direct attack on Constantinople I way of the Dardanelles. Throughout 1915 the Turks foug magnificently to defend the Gallipoli Peninsula. They we finely organized by the German General Liman ve Sanders and finely led by a young Turkish officer, Mustapl-Kemal. By a miracle of tenacity Kemal beat the Englishack to Suyla and the Dardanelles were sayed.



Meanwhile Hussain had proclaimed the Arab revol-The Turks retaliated by garrisoning Medina and shellin the Holy Places of Mecca. In a frenzy at this outrage th tribes of the desert combined, for the first time in history led by Hussain's third son, Feisal, and by a young English man who called himself T. E. Lawrence, they marche through the Hedjaz to the Gulf of Sinai. The English wer now contemplating a new policy: they intended to attac Turkey by marching from Egypt through Syria. Genera Allenby realized that the Arab revolt might be useful. H let Lawrence take gold and arms to the Arabs. Under Law rence and Feisal the tribes cut the Pilgrims' Railway an guarded the right flank of the English as they marche through Palestine. Mustapha Kemal was sent to stop th English advance, but it was too late. Allenby's army brok the Turkish line and drove back the Turks, who wer harried by Arab raids from the desert, to the mountai ranges north of Aleppo. Meanwhile another British arm had marched through Mesopotamia and was occupying Mosul. Hemmed in on every side the Turks signed a armistice at Mudros in November 1918. In this they gav up their claims on Egypt and on all their Arab-speakin dominions. The Ottoman Empire was decimated. The a tempt to revive Ottoman power by a new Imperialism ha ended in complete failure.

The Nationalist Revolt. Superficially the position of Turkey seemed hopeless; the Arab dominions were signed away and the Allies were occupying the capital and ever port in Anatolia. Actually, however, there remained urspent the third force that had constituted the Ottoma Empire: the force of Turkish Nationalism. Abdul-Hami had tried to make the Empire Moslem, and had failed. The Committee had tried to make it Imperial in the Westersense, and had failed. It remained for someone to make Turkish. No one who had seen anything of Turkish heroisiduring the war could doubt the existence of Turkish Nationalism, but no one could see how it could be used now

e Sultan-Caliph, Vaneddin, was afraid of it; his views that if the Turks attempted a National rising now, 1918, the Allies would use it as an excuse for partitioning atolia. The Committee of Union and Progress were aid of it; they had taken to their heels after the fall of ppo. The only man who had faith in his own powers to e Turkey by firing her national spirit was Mustapha mal, and he was a discredited officer, hiding in a suburb Constantinople from the English, who had put him on ir black list for deportation to Malta.

Mustapha Kemal, like so many leaders of national vements, was not by birth a member of the people for ose liberty he was to fight. His father was Serbianpanian, his mother Macedonian-Albanian. He was born 1881 in Salonika and bred for the Ottoman military vice. In 1905 he had been given a commission and had ght in every war since: against the Druses, against the Igarians, against the Italians in Tripoli, against the tish in Gallipoli, the Russians in the Caucasus, and in Syrian campaign of 1918. Among the soldiers he had unequalled reputation for courage and for unerring gement, but among politicians he was distrusted and liked. For one thing he had made no attempt to hide his ntempt for the windy schemes of the Committee. For other his personality was unpleasant and his manner orish and overbearing. So he had received none but the st grudging recognition for his services and no political pointment. Vaneddin had recognized the strength of the in and had taken him in his suite on a military mission Germany in 1917; the young officer disgraced himself insulting Ludendorff and patronizing Hindenburg, and shtened the wretched Vaneddin by bullying him to take tion against the Committee of Union and Progress which is then in power.

So Mustapha Kemal found himself at the Armistice th no friends at Court. He managed to get out of

De Valera was an American citizen, Hitler an Austrian; Pilsudski s a Lithuanian by birth, and Stalin a Georgian.

Constantinople with a commission to supervise disarmament arrangements in the east of Anatolia, and here instead of disbanding the local levies he did his utmost to keep there in arms to fight a new battle, the battle for an independent Turkish Nation. Alarmed by the news of these activities Vaneddin recalled him imperiously, but Mustapha Kemarefused to give up his command: "I shall remain in Anatolia," he replied, "until the nation has won its independence.

It seemed the idlest boast. The Sultan and the Govern ment were against him; the Allies were against him. But in the strong places of Central Anatolia he was safe from half-hearted attacks, and the very fact that these unpopula forces opposed him helped to turn public opinion to h side. When the Sultan tried to raise the Kurds against him he made capital out of the fact that no patriot could hav called in the hated Kurds to butcher Turks. When the Greeks landed at Smyrna in May 1919, backed by an Allie fleet under Admiral Calthorpe, he had a story of foreig invasion and of the pillaging and burning of Turkish village to add to his recruiting propaganda. He coolly issued wrifter a National Assembly to meet at Erzerum in June delegates who had come in disguise from every corner Anatolia elected Mustapha Kemal to be their Chairman A second Assembly met in September, this time at Siva and appointed an Executive Council to act for the Turkis Nation, since the official Government of Constantinop refused to take the lead. As President of this Counc Mustapha Kemal moved his headquarters to Angol ("The Anchor"), a fine natural fortress in the middle the Anatolian plateau and the terminus of the railway from Constantinople. From Angora the Executive Counce promulgated a National Pact which was to be the found tion of the modern Turkish State. The Kemalists renounce all claim to the Arab dominions of the Empire but insiste that the regions "which are inhabited by an Ottoma Muslim majority, united in religion, in race and in aim . form a whole which does not admit of division for at reason in truth or in ordinance."

The National Pact was merely the pronouncement of a oup of rebels against the Sultan's government. There was thing to show that the delegates were Nationalists in ything but name. There is every reason to believe that cy would have remained an isolated group of rebels for any years, had not the Allies committed in the first half the year 1920 three blunders which fanned the latent ationalism of Turkey into a pillar of fire.

The first blunder was the least serious—a simple breach faith. After the publication of the Pact news came to ngora that the Allies were prepared to recognize the ationalist parliament if it met in the legal manner at onstantinople. Mutapha Kemal scented a trap; he knew e atmosphere of the capital and he doubted the good th of the Allies. But the Angora delegates were delighted the prospect of recognition and took train to Constanhople where in January 1920 the National Pact was rmally and legally adopted in full parliament. The legates were in raptures. Their triumph was short-lived: fore two months were out, Allied forces under General ilne occupied the public buildings of Constantinople and ided the Turkish quarter where they arrested forty ationalist leaders. These they deported to Malta. It was object lesson to all Turkey that Mustapha Kemal was tht: the Allies were not to be trusted.

At this point the Allies made their second blunder: ey published the Treaty of Sèvres, to which three so-called presentatives of Turkey had been induced to give their nature. The full import of the terms of this treaty will be if we do not bear in mind the geography of Turkey. The country consists of a high central tableland flanked by ountain ranges on every side. The mountains stretch with the coast except in three areas where there is a rtile littoral; the first of these areas lies on the shore of e Sea of Marmora and the south-west of the Black Sea, e second round Smyrna where there is excellent vine- and ive-growing country, the third round Adalia where there a good cotton and corn belt. By the Treaty of Sèvres, the

first area was to be under a Commission of Allies, the Smyrna district was to be Greek and Adalia was to go to Italy. The Turks were to be confined to the mountains of the plateau and two new nations, Armenia and Kurdistan were to be called into being to guard their eastern flank. The seat of government was to be at Constantinople, surrounded by the Allied Commission. And Thrace was to be Greek.

This treaty is the most shameless example of Imperialist greed that has ever been offered by a modern Government. Beside it the terms of Brest-Litovsk seem lenient and those of Versailles positively generous; to find a parallel we should have to go back to the eighteenth century partitions of Poland. The effect of its publication was to convince Turks that the Allies would stop at nothing until they had ruined Turkey and that in Mustapha Kemal and in the Nationalists lay their only chance of salvation.

The Greek War, 1920-22. It was a thin chance, as they realized in June 1920, when Great Britain, France and Italy authorized a Greek offensive against Turkey. This was the third and greatest blunder of the Allies. Their object was to force the Nationalists to accept their terms by the cheap method of unleashing against them Turkey's natural enemies, the Greeks. The suggestion had come from Venizelos, the Greek Prime Minister, and had been taken up with enthusiasm by Lloyd George; the scheme was to cost so little—a temporary loan, and the maintenance of a British fleet in the Sea of Marmora and of a French army in Cilicia, that was all-and the Greeks were all but certain to succeed, armed as they were with the supplies which the Allies had accumulated in Macedonia during the Great War and whetted by the massacres of Turkish civilians which they had perpetrated in the year since their landing at Smyrna.

All went well for the Greeks during the campaign of 1920. On three fronts they were successful: the Turkish Nationalists were driven out of Thrace and back from the

uth-east coast of the Sea of Marmora, and a huge Greek my advanced from Smyrna to Ushak. But the triumph as spoiled by a quarrel-among-thieves. The Greek electrs threw out Venizelos at the elections of November and ing Constantine returned. Venizelos was the one man who uld hold the Allies together; in May 1921 the Allies clared themselves neutral, confining themselves for the st of the war to securing neutral areas on the Sea of farmora and in Cilicia. It was a clever move; in the event a Greek victory Great Britain and France could claim to ave been the sponsors of Greece and in the event of a urkish victory they could offer their arbitration as neutrals. It was with no misgiving that they watched the prepations for the campaign of 1921.

At Angora, Mustapha Kemal was working furiously to ganize the National forces. His first difficulty was to press a rising of fellow Turks, strict Moslems who had en incited to defend the Sultan-Caliph against the unodly Nationalists. Then he had to weld his recruits into a gular army. He was lucky to have at his command some ve thousand officers of the old Ottoman Army, among hom was one, Izmet Pasha, who stood out as a promising eneral. With these officers he managed to lick into shape e peasants and adventurers who came into his camp unained, unequipped and often bare-footed. The majority of s troops were mountaineers whose tribal chiefs kept them utside the regular Nationalist Army, preferring to lead them isolated ineffectual raids down from the mountains on the reeks. One of these chiefs established control over a large entingent of irregulars known as the Green Army; it eeded all Mustapha Kemal's cunning to discredit the reen leader and to weld his troops into the organization f the regular army. Even then it was a ragged force, no ore than 25,000 strong, ill-equipped, short of artillery, tterly contemptible from the point of view of Western oldiers, but it was well led and it was inspired by an inncible spirit: each man knew that he was fighting for the ery existence of his country.

Against them the Greek army had 80,000 men, excellently equipped and armed. Their objective was the Nationalist capital, Angora. From Izmid and from Ushal they pressed eastward to take the whole semi-circular line of railway that runs from Constantinople to Smyrna. By the end of July they had taken Eski-Shehir, the junction where the branch to Angora leaves the main line. Grimly Mustapha Kemal ordered his men to fall back on the Sak karia river, the last line of defence covering Angora. I the Greeks could break the Sakkaria line, Angora would fall and all hope of Turkish Nationalism would be at an end.

For fourteen days the battle raged on the Sakkaria. Then at last the Greeks broke, ordered a retreat on Eski-Shehiri Angora was saved. There have not been many decisive battles in modern history but the battle of the Sakkaria must be counted among them. It showed the world that Turkish Nationalism was an invincible force; after the pangs of those fourteen days the Turkish Nation was born. The immediate result of the battle was that France made a secret treaty with the Angora Government and withdrever her 80,000 men from Cilicia.

At the beginning of 1922 the position was still serious. The Greeks still held Eski-Shehir and the country to the west of it. But demoralization had already set in among the Greek troops and they had no spirit in them to with stand the offensive which Kemal launched in August. Step by step the Greeks were driven back along the railway line to Ushak. After Ushak the retreat became a rout ending with the ignominious embarkation of the last troops a Smyrna at the very hour when the Turkish advance guard was galloping into the city. A great fire burst out in Smyrna It burned the European quarter to the ground; the highly inflammable Turkish quarter it left untouched.

The defeat of the Greeks by arms was followed by the defeat of the British by negotiation. Mustapha Kema claimed the right to drive the Greeks out of Thrace; the British holding the Dardanelles refused to allow his troop

ross. Mustapha Kemal insisted; Lloyd George held his und; it seemed that another Dardanelles campaign was store. Luckily that disaster was avoided by General rington, who called an armistice-conference at Mudania October. As a result of that conference Turkey was wed to occupy Eastern Thrace in violation of the caty of Sèvres. The victorious Turks held possession of all they had claimed in their original National Pact.

aty of Lausanne, 1923. The Turkish Nationalists had n the war; they had yet to win the peace. The Nationalist anization was in essence military; its leader had no rank that of Commander-in-Chief, no title but that of Gazi, ch means Conqueror. He was unrecognized by the cial Government, which was still that of the Sultaniph at Constantinople, and he could not count on a jority even in the National Assembly at Angora. Musha Kemal's first action was to turn the Nationalists m a military to a political organization. He toured the intry, making the most of his popularity as the conqueror the Greeks to urge the people to support the Nationalists, o were henceforth to be known as the People's Party. on he had enough support to overawe the Assembly. A conference to settle terms between Turkey and the ies was to meet at Lausanne in November. The Allies ited the Sultan-Caliph to send a delegation. This piece pedantry was an insult to the National Assembly. The zi turned it to good account by making the members h through, first, an Act separating the office of Sultan m that of Caliph, and then an Act abolishing the Itanate. A nephew of Vaneddin was made Caliph, and neddin himself saved his life by slipping out of his palace o a British ambulance and escaping to a British warship. e last Imperial Ottoman Sultan, the Terror of the fidel, was gone.

At Lausanne the negotiations turned into a duel between rd Curzon and Mustapha Kemal's friend, Izmet. A cater contrast of personalities could scarcely be imagined

than that presented by the suavely arrogant British proconsul and the deaf little Turkish soldier. Izmet's demands were simple: he wanted the terms laid down by the National Pact and he refused to yield a single point. After four months of discussion Curzon left Lausanne, frustrated, and the conference broke up. There seemed a chance that the Angora Assembly would pass a vote of censure on Izmet —an opposition was growing up under Rauf Bey against his and the Gazi's high-handed policy. But Mustapha Kemal contrived to defeat the vote of censure and Izmet went back to Lausanne, where Curzon's place was taken by Sir Horace Rumbold and the treaty was signed in July 1923. The terms were a triumph for the Turkish Nationalists. Instead of a partition of Turkey which the Allies had demanded at Sèvres, the Turks were to be left with full sovereignty over all Anatolia and—what is more astonishing-over Constantinople and Eastern Thrace. Christian Communities in Turkey were to lose their autonomy, and foreign Capitulations were to be abolished, the million Greeks resident in Western Anatolia were to be transported to Greece. In a word Turkey was to be, for the first time in history, a Nation. Only one point was not conceded by the Allies: the south-eastern frontier of Turkey was left to be settled by later agreement.

Turkey was now cured of Imperialist ambitions and secured from foreign aggression; but that was all. The work of building a new Turkey was yet to be done. The Turks themselves seemed as ignorant as the outside world as to what the nature of the new State was to be. There were some who favoured a union with the Soviets, who had given such firm moral support in their struggle against Western Imperialism, some who believed that the new Turkey as an autonomous Moslem State might form the nucleus for a revival of Islam, some who thought that a constitutional monarchy on Western lines would best express the genius of the new Turkey. All these ideas Mustapha Kemal opposed unequivocally. The Russian alliance he refused on the ground that he had not led Turkey out of one foreign

tanglement in order to lead her into another. The proet of an Islamic State was even more repugnant to him; was a materialist, a man of no religion; he looked on am as the evil genius of the Turks, as the power which had pped the vitality of his people and had kept them for nturies in subjection to the obscure and disorderly ideas degenerate Arabs. As for a constitutional monarchy, it ould be nothing but a cloak for the tyranny of some ember of the old Ottoman imperial family; he knew that e Turks were politically in their childhood, it would be ars before they could be trained to accept the responsilities of representative government; he knew that the ly hope for Turkish regeneration was a dictatorship. nd he knew that he himself was the only possible dictator. When the National Assembly met after the signing of e treaty, Mustapha Kemal and Izmet prepared a Bill make Turkey a republic. By intrigue and intimidation ey forced it through the Assembly. Nearly half of the embers did not vote; it was practically a coup d'état, but ustapha Kemal had the shadow of the law behind him nen he declared himself to be President of the new Turkish epublic. His powers under the new Constitution were actically unlimited: as President he controlled the abinet, as leader of the People's Party he controlled the ly political machine and as Commander-in-Chief he ntrolled the army.

he Caliphate Abolished. Of all the dictators of the st-war world none used his powers to more effect than ustapha Kemal. In the years which followed the establishment of the Republic he carried out a revolution in the res of his people which in its fundamental character can be impared only with the Communist Revolution in Russia. We the Communist Revolution it was for all its suddenness of new movement but the realization of a century of piration, the violent birth of a conception of society hich had long been maturing in the minds of Turks. Tustapha Kemal's policy was to secure the survival of the

Turkish people by conjuring up the spirit of Nationalism. To do this he had to exorcise the Arab demon which had haunted Turkey through the institutions of the Islamic religion. "The Arab mind," wrote his aide-de-camp, Halideh Edib, "has a metaphysical conception of the universe. It looks upon legislative power as belonging to God, and executive power to the Caliph; and it regards doctors of law (Ulema) as intermediaries between God and the Caliph, who are to control the executive and see that he carries out the laws of God. If he fails they are to cancel his contract and to elect another Caliph by the consent of the Islamic people. . . . It is different with the Turk. In his pre-Islamic state he had been accustomed to man-made laws, and he is by nature more inclined than the other Islamic peoples to separate religion from the ordinary business of life."

A few months after his election as President the Gazi determined to abolish the Caliphate. It was a tremendous risk, his people were all Moslems, all spiritual children of the Caliph. They might have risen in defence of the Holy Office had not Mustapha Kemal found a plausible pretext for his action. A letter addressed to the Republican Government, demanding that the Caliphate should be shown more respect, found its way into the Constantinople Press. The letter was signed by two leaders of the Indian Moslems, one of whom was the Aga Khan. Now the Aga Khan was notorious as a friend and protégé of the British. Mustapha Kemal had no difficulty in leading Turkish opinion to believe that the letter was a subtle move in the British game, which, he said, was to break Turkish Nationalism by strengthening the Caliphate. Very skilfully he played national against religious sentiment in the Assembly, and the deputies were almost unanimous in demanding that the Caliphate be abolished. Abdul Mejid and the members of the Ottoman imperial family were hustled away to Europe lest worse should befall them.

There followed a general secularization of the Turkish-State. The Bill abolishing the Caliphate had declared that The antiquated religious courts and codes must be reced by modern scientific civil codes. The schools of the sques must give way to secular Government schools." cordingly the laws of God, the Sheriat, were replaced by ill laws copied from Switzerland, criminal laws from Italy, mercial laws from Germany. A Faculty of Law was ablished at Angora for the training of advocates and ministrators. The schools of the mosques, which for turies had had the monopoly of primary education and d confined their efforts to teaching children to repeat by mory the Koran, were replaced by State schools which all ldren between the ages of six and sixteen must attend, learn to read, write and calculate.

t was not to be expected that the religious revolution ald be achieved without opposition. A political party ling themselves the Progressives and opposed to the malists gained power in the Assembly. It was probably th their connivance that a formidable revolt broke out in rdistan. The Kurds were the only non-Turkish people be left under Turkish rule; they were Moslems and thful to the point of fanaticism, primitive and warlike the point of savagery. In March 1925 they rose in Holy ar against the faithless Republic which had abolished Caliphate. To stiffen their religious ardour they had a litical grievance, for by the abortive Treaty of Sèvres they d been promised their independence. Led by their eiks the Kurds besieged the towns of Eastern Turkey, ying all the Turks they could lay hands on. The Angora vernment tried to rush troops to Kurdistan but the mounns were an almost impassable barrier and the rail-route rough Syria was controlled by the French who, prompted their interest in the oil of Kurdish Mosul, refused transit the Turks. Three months passed before the revolt was opressed. Then Mustapha Kemal grimly made it his cuse for breaking up the Progressive Party, executing even of its leaders and replacing them by a docile Cabinet der Izmet. The new Government proceeded to condemn Sheiks and dervishes who had been behind the Kurdish

revolt; the former were deprived of their powers, the dervish and monastic orders were dissolved and their property confiscated.

The last vested interests of Islam in Turkey were the destroyed. By the second article of the Constitution of th Republic, Islam was still the State religion; in 1928 ever that article was quietly erased.

Social Reforms of Mustapha Kemal. The problem facing Mustapha Kemal was how to turn the meagre population of agriculturalists into a secure and prosperous nation. The solution lay in education: propaganda to wean ther of Islamic superstitions, schooling to teach them to real and write and open their minds to the material advantage which Western civilization had to offer, technical training to instruct them to use, repair and manufacture machinery

The Gazi began by abolishing the outward and visible sign of Turkey's separation from the West. He was determined to abolish the fez, which all Turkish men word First he issued caps to his personal bodyguard, then h ordered the whole army to wear caps. Then he appeare himself in public wearing a panama hat. It was an act of considerable personal courage. "Had the King of Englanor the President of the United States of America appeare in public in a convict's uniform with broad arrows, the would have produced the same effect. To the ordinar-Turk, the hat was the mark of the beast, the sign of the unclean, accursed Christians and of the foreigners. Mustapha Kemal proclaimed that the fez was the sign of ignorance and made it a criminal offence for a Turk to b seen wearing it. There were riots in the towns but th Gazi was inexorable. At last the Turks gave up resisting "they wore old bowlers, ancient straw-hats, hats made out of a piece of cloth by their wives, with unskilled hands, car imported in haste from Austria, anything with a brim tha traders could get for them, anything that carried out th orders of the Gazi Mustapha Kemal, anything with a peak t save them from the prison, the bastinado, and the hangman

se."¹ The abolition of the fez meant a breach with mic tradition, for the Moslem must pray, with his head ered, five times a day and at each prayer must prostrate self touching the ground with his forehead; how could rite be performed if his head-dress had a peak or a n in the Western style?

he next step in bringing Turkey into line with the West to change the position of women. In the towns women e secluded in Oriental fashion, they never appeared eiled in the streets, they sat behind a partition in the ncar, and in the theatre they were sequestered behind a le; in the country they went unveiled but their position that of serfs, performing the brute work for their bands and masters. Mustapha Kemal had long been ermined to change all that. After the capture of Smyrna had fallen in love with a young Turkish woman who been educated in Europe and was full of European as of the equality of the sexes. He had married her and encouraged her, as first lady of the land, to set an mple by appearing unveiled and in Western clothes at tical meetings. In 1926 he set himself to revolutionize status of women in Turkey. The veil was forbidden, the titions in the tramcars were taken down, the grilles were loved from the theatre-galleries. Schools for girls were blished and women became eligible for business careers for the professions. In 1929 they were allowed to vote ocal-government elections. It was harder to change the tude of the peasants to their women-folk. They were ified by Koranic texts in their habit of marrying many es and using them as cheap agricultural labour. Musha Kemal did not dare to abolish polygamy, but he sed an edict discouraging the practice, and to-day it is for a Turk to have more than one wife.

To reform of Mustapha Kemal aroused less resistance none caused more internal disruption than his emanciion of women. Cut adrift from the secluded haven of the ily, the women of Turkey were unable to keep their

¹ H. C. Armstrong in Grey Wolf: Mustapha Kemal.

balance in the man-made currents of city life. They drifted into promiscuity and into despair; there were more suicides among the women of Turkey in those years than anywhere else in the world. The disruption spread to the Gazi's own household, where his wife became a burden to him by her meddling in politics so that he had to divorce her, and his friend and adviser Halideh Edib claimed so prominent a part in the direction of policy that she was exiled. The Gazi's feminism was due to expediency rather than conviction.

There remained one great barrier to the adoption by the Turks of Western ideas and methods. Their language was still written in Arabic script, the letters of which canno be transliterated into Western languages because there are no vowels and their consonants represent sounds which our consonants are incapable of rendering. 1 Mustapha Kema determined to abolish the Arabic script. He began by order ing that words of Arab origin should be dropped from the Turkish language. Then he shut himself up in his house near Angora and learned Latin characters. When he had finished he announced that he was going to make a forma visit to Constantinople. It was ten years since he had visited the former capital. Then, in 1918, he was a neglected officer, spurned by the politicians and suspect to the Allied officers who were in occupation of the city. Now he wa the creator and dictator of the Turkish Republic. But it wa not as dictator that he returned to Constantinople. He came back as a schoolmaster. He lectured the audiences o Constantinople, not on politics but on handwriting; with black-board and chalk he demonstrated how the loops and lines of the new letters should be formed. Such was the power of his personality that the absurd idea caught on While the President toured the country with his black board, judges and cabinet ministers, lawyers and professor

¹ For this reason there is no recognized way of spelling Arabic word in English. Some writers make an attempt to render the sounds of thoriginal by using accents and breathings. We have not attempted this throughout this section on Islam, names have been spelt in the wa which seemed easiest to English eyes.

the example by flocking back to school to learn the new ters. Soon the Assembly passed a decree to the effect at no appointment could be held by anyone who was t proficient in the new writing.

By rushing through in five months a reform which should ve been spread over a generation the Gazi had secured e letter of cultural reform, but he altogether missed the rit. The new generation of Turks learned with ease to ad and to write but found themselves cut off from their ltural inheritance; the literature of their country is in abic and so is a closed book to them. But the Gazi had hieved his purpose: by abolishing Arabic words and ters, by changing place-names from Greek to Turkish onstantinople became Istambul, Smyrna became Izmir, ngora became Ankara) he had given Turkey a language nich was indisputably Turkish, and by the introduction the Latin script he had made the assimilation of Western rilization easy. This process was further facilitated by the option of the Gregorian calendar, the European system numerals and, later, of the metric system.

By the end of 1928 the Turkish Revolution was completed one plane, the educational. Mustapha Kemal had seen at there is nothing in the Islamic religion that makes for ogress and efficiency—those are the virtues of the West. e had set himself to make them the virtues of the urks. He had to make his people Westernize themless sufficiently to win that degree of prosperity which was cessary to their existence as an independent nation. He as wise enough to see that he must begin by changing their eas about law, about women, about costume and lanlage. The methods he chose were brusque and sometimes diculous, they savoured of opéra bouffe, but they served his ds: the Turks began to adopt a Western outlook. They are ready now for practical reforms.

conomic Reforms. Potentially Turkey was a rich untry, possessing "a favourable climate, untapped water ower, fertile river valleys, magnificent mountains full of

unexplored mineral and forest wealth, and extensive area of productive agricultural land, which, in proportion to it size, presents greater economic possibilities than Canada itself." Actually, however, Turkey was poor to the degree of pauperization. Not only was she wasted by war, weighed down by debt and demoralized by the fatigue that follows? quarter of a century of fighting, but her people had no idea how to develop the resources of their country. The meagn rural population—only nine million people in a land o 210,000 square miles—still worked with the methods of a thousand years ago, they ploughed with wooden poles show with iron or flint and drawn by oxen, they harrowed with log weighted at either end by stones or (more usually) by squatting women. There were few roads and fewer railways Commerce the Turks knew nothing about; they had lef that to the Greeks and Armenians, and now those foreigner were expelled from Turkey. The task of the new Republi was to carry out an agricultural and industrial revolution The same task had faced the Soviets. The Russians solved it by enforcing collective methods and by borrowing wha capital they could from abroad. Mustapha Kemal rejected both these means; he respected private property in th true spirit of Mahomet, encouraging small holdings and private enterprise; and he refused to borrow a penn from foreign Powers, knowing well the political subjection into which such borrowing had led Egypt and Persia.

The Gazi began his agricultural reforms by personal example. He lived outside Angora on a model farm where he experimented with the newest methods, building a mode reservoir and irrigation systems, breeding a prize herd with bulls imported from Switzerland, ploughing and harrowing with motor tractors, threshing and milling with all the latest machinery from the West. There was not money available for many experiments of this type, but there was enough the endow eight agricultural colleges for training experts. The Government founded agricultural banks to lend money the farmers, they distributed seed and agricultural machiner

¹ A. J. Toynbee and K. P. Kirkwood in Turkey.

to whoever could offer a reasonable guarantee to use m productively. Gradually steel ploughs and motor ctors began to appear on the Turkish farms. They are from being in general use to-day, but a beginning has en made and Turkey can never go back to the primitive thods which had prevailed in Anatolia from the dawn of tory to the birth of the Republic. The popularity of istapha Kemal can be understood when it is remembed that he has freed the peasant from the tithe, helped n to buy his land and taught him how to work it profit-

f Turkey were to make the most of her physical resources, ricultural reforms were not enough: she must develop nmerce and industry. Commercially Turkey is in an viable position, commanding the cross roads between rope and Asia. The country produces many things for ich there is a constant demand abroad: Smyrna figs and rkish tobacco are recognized as the finest in the world, d the cotton as well as the olive crop of the Republic far ceeds what is needed for home consumption. Conditions the post-war world have not been favourable to intertional trade, but Mustapha Kemal has succeeded in king favourable commercial treaties with Turkey's old cmies, Russia, Italy and even with Yugoslavia, Rumania d Greece. (Incidentally, the Treaty of Ankara which ustapha Kemal signed with Venizelos in 1930 marked end of five centuries of warfare between Greeks and rks.) Internal trade has developed with the improveent in the means of transport: some idea of the tempo this improvement can be gained from the fact that the public has laid down, on an average, one hundred and y miles of railway in every year of its existence.

Only industries are lacking in the economic revival of trkey. Before the Republic was established there were tually no Turkish industries. To-day there are a few bacco and carpet factories and the Government owns tile mills for manufacturing clothing for the army and by. But industries depend upon finance and here lies the

weak point of the Republic. The Turks are notoriously ba financiers. The Ottoman Emperors never rose above extortion, bribe-taking and monopolies as a source revenue, and the methods of the Kemalists have not bee very much better. The only difference is that instead accepting bribes from and selling monopolies to foreigne they have taken money from none but Turks, who can off less and not do so much in return. The President himself ignorant of finance and left its administration to Izme The latter is almost equally ignorant: he established Sta monopolies of tobacco, matches, alcohol, salt and suga and put them in the hands of his friends and relatives. Y the best of financiers could have done little to set the block of credit flowing through the veins of Turkish industry long as an infusion from abroad was barred on princip The manufacturers complained that expansion was impo sible without credits and that the People's Party spent to much money on the army and too little on industri subsidies and at the same time refused to let them acce foreign loans.

The Kemalist Dictatorship. These complaints gave Mutapha Kemal an idea. He would test the popularity Nationalist principles and the ability of his minister Izm by creating an Opposition Party. The experiment wou have the additional advantage of educating his people the technique of responsible government. Since 1925 had only allowed one party, the People's; criticism speech or writing had been forbidden and political opposition had constituted treason. In 1930 the Gazi gave Fe Pasha permission to organize a rival party, the Libel Republicans, and instructed him to model his opposition the English tradition of open criticism on the platfol and in the Press combined with friendly personal relation with the members of the Government.

The experiment was a failure. The Turks were utter unable to understand a ruler who encouraged criticism; they took it as a sign of weakness—the Gazi must be gett;

he must be losing his grip. In the Assembly debates e decorous enough—they hinged on the principle of ning Turkey to foreign loans—but outside the Assembly itical meetings turned into riots. The Liberal Republiism of Fethi became a rallying point for all the old forces eaction which for the last five years had been repressed. vishes raised a clamour for a religious revival. A Sheik beared in Smyrna claiming to be the Mahdi, the herald he Messiah's second coming. The Kurds flew to arms in east. Throughout the summer of 1930 Mustapha Kemal the opposition he had created have its head; it was a nmer of open rebellion. Then, suddenly, he struck: he blished the Liberal Republicans, he executed the Sheik I twenty-eight of his supporters, he drove the Kurds k to their mountain villages. And the Turks were ighted. The sight of their President acting as his old self in put new heart into them; the Gazi was worth followafter all, he was a conqueror indeed.

Mustapha Kemal had every reason to be pleased with failure of his experiment; he had given Izmet a saluy shaking, he had had an opportunity to gauge the state public opinion and in a manner of speaking had received mandate for continued dictatorship. "Let the people ve politics alone for the present," he said in 1932. "Let m interest themselves in agriculture and commerce. ten or fifteen years more I must rule. After that, per-

ps I may be able to let them speak openly."

In assessing the value of the Kemalist Revolution the eign historian must be careful. It matters little that hodox Islam bemoans the material-mindedness of dern Turks, is distressed by the half-empty mosques ere worshippers neglect to take off their shoes and recite ir prayers in Turkish instead of Arabic, is shocked by veiled Turkish women who dance heathen dances in the ms of strangers and by ungodly Turkish men who raise tristian hats and bare their heads, against the command the Prophet, to acquaintances in the streets. It matters le that Western nations applaud the "modernity" of

the Republic, are pleased with the new aspect of Const tinople, where trams run punctually and begging is f bidden, and with the new aspect of Angora, where malarious village of five thousand inhabitants has be turned into a modern city planned by a Western profes for a population of a hundred and twenty thousand. matters little that the Soviets are disappointed that revolution, which began like theirs with the destruction an Imperialist hierarchy and of a State-Church and co tinued like theirs with a violent Westernization of the mo of life of their people, has not gone on to apply the pr ciples of Communism and to become a member of Federal Soviet Republic of Turkistan. The point is what Islam or Christendom or Communism thinks of Kemalist Revolution: the point is whether that revoluti is consonant with the natural development of the gen of the Turkish people.

The Turks are by origin nomads; they have move their camp from Constantinople to Angora as easily a as naturally as their ancestors used to move from summer to winter pasture. They are by nature fighters; they foug their civil battles against Arab culture in the spirit of military campaign and under the orders of a milital leader. They are born equalitarians; they have through the Imperial hierarchy and have established a reput where merit is the only consideration for promotion. About all, the Anatolian Turks are a race; they have struck the cultural trammels of the East and the economic tramels of the West, and without separating themselves copletely from the fold of Islam or from the society of Western nations. To Mustapha Kemal is due all hong for having brought the phænix of the Turkish nation of

of the ashes of the Ottoman Empire.

THE ARABS AND THE ALLIED POWERS

RKEY would never have been able to work out her iny so successfully if the Allies in the World War had divested her of her Arab provinces. What the Allies nded to do with those provinces is something of a tery. The Arabs' impression was that after the War r independence was to be recognized. That was why fought against the Turks in the Hedjaz and in Syria. British High Commissioner in Egypt, Sir Henry Machon, had asked Hussain, the Governor of Mecca and d of the Prophet's own family, the Sherifs, to call the b revolt. Hussain had demanded that the Allies should gnize in return the independence of the whole Arabian insula with the exception of Aden. After negotiations which further exceptions were made temporarily in the of the Basra-Baghdad and the Aleppo-Beirout districts, re Hussain recognized the interests of Great Britain France respectively, Sir Henry promised on behalf of British Government "to recognize and support the pendence of the Arabs within the territories included he limits and boundaries proposed by the Sherif of cca."

es' Partition of Arabia. As the War went on, the bs were given reason to doubt the good faith of the ish promises. Rumours began to spread that Great ain and France had made a secret treaty (the Sykest Agreement, May 1916) settling the future of Arabia. 1917 the rumours were confirmed by the Bolshevik rernment of Russia, who impudently published the

treaty: Mesopotamia and two Palestinian ports we marked out for British administration, the Syrian coast was assigned to French administration, with Damascus, Alep and Mosul as "a zone of French influence," and Palestitiself was to be an international zone. "The Arabs," writh Halideh Edib, "have never since recovered from their dillusionment. The proposed independence meant nothing more than a division of the Arab-speaking lands betwee England and France." Then the British published a promito the Jews (the Balfour Proclamation) undertaking provide the Jewish people with a "National Home" Palestine which was already the home of Arabs. A moconcrete reminder of the frangibility of promises was that the British administered the province of Iraq witofficers of the Indian Army.

Yet when the Armistice came the Arabs were still sa guine. After all, it was only to be expected that, in t stress of war, promises should be sometimes forgotten even by Great Britain. And in any case the basis of t peace was to be President Wilson's Fourteen Poin "Every territorial settlement involved in this war must made in the interest and for the benefit of the population concerned, not as a part of any mere adjustment or co: promise of claims among rival States "-so ran Wilso third Point; it seemed specially drafted to nullify the Syk Picot Agreement! The twelfth Point went even farthe "The nationalities now under Turkish rule should assured of an undoubted security of life, and an absolut unmolested opportunity of autonomous development The Arab-speaking peoples were not alone in putting th faith in Wilson.

Disenchantment was not long in coming. When Egypti representatives proposed to attend the Conference the were bluntly forbidden. The British Protectorate of Egywas not withdrawn—on the contrary it was official recognized by the United States themselves in 1919. Of the ex-provinces of the Ottoman Empire the Hedjaz alcowas represented, and that not by King Hussain, who

bition was to rule a United Arabia, but by his son Feisal, openly opposed his father's pretensions and confined own claims to the more modest ambition of gaining gnition for his own rule in the State of Damascus. o the peace-makers in Paris the question of the Middle t was of secondary importance. European questions urally came first; the Hohenzollern and the Habsburg pires had to be partitioned before attention could be ned to the Ottoman. Besides, none of the delegates of Great Powers knew anything about Arabia. They knew ourse that it is a vast desert peninsula of the size of ia and that its fringes are cultivated and of strategic economic importance—Egypt because of the Suez ial; Palestine, Syria and Iraq because of other routes to ia; Mosul and the Persian Gulf because of oil deposits. of the centre of Arabia they knew nothing, of Ibn d and the revival of Wahhabism which he was leading y had, perhaps, never heard. Their adviser on Arabian stions was T. E. Lawrence, who was in Paris as Feisal's rpreter. "The only person who seemed to know everyand everything and to have access to all the Big Three llemenceau, Lloyd George and Woodrow Wilson—was vrence. I don't know how he did it, but he was in and of their private rooms all the time, and as he was about only man who knew the whole Eastern geographical I racial question inside out, they were probably glad of advice." Even Lawrence knew little of Ibn Saud. behind the scenes of the Peace Conference and in intervals ween discussion of more pressing topics, intrigue as to future of the Middle East went on for months. Sentint was on the side of honouring the promises made to

pressed by the Turks and the establishment of national Sir Henry MacMahon, quoted in Robert Graves' Lawrence and the bs.

Arabs. These promises had been confirmed as recently November 30, 1918, by a Franco-British declaration that he end which France and Britain have in view . . . is complete and definite liberation of the peoples so long

governments and administrations drawing their authoria from the initiative and free choice of indigenous popul tions." Economy, too, was on this side: the British W Office complained that it was costing thirty million poun a year to administer Iraq. On the other side were pruden and the interests of imperialism: if the British were to wit draw from Iraq what was to prevent Turkey from seizing it? And what of the control of the Suez? And what French claims in Syria?

The Mandate System. At length, in the summer of 191 a compromise began to be worked out. It was known as the Mandate System and its principle was embodied in the Covenant of the League of Nations as Article 22. The fire part of this article we must quote:

- I. To those colonies and territories which as a cons quence of the late war have ceased to be under the sovereignty of the States which formerly governed the and which are inhabited by peoples not yet able to star by themselves under the strenuous conditions of the modern world, there should be applied the principle th the well-being and development of such peoples form sacred trust of civilization and that securities for the performance of this trust should be embodied in the Covenant.
- 2. The best method of giving practical effect to the principle is that the tutelage of such peoples should entrusted to advanced nations who by reason of the resources, their experience or their geographical position can best undertake this responsibility, and who are willi to accept it, and that this tutelage should be exercised them as Mandatories on behalf of the League.
- 4. Certain communities formerly belonging to t Turkish Empire have reached a stage of developme where their existence as independent nations can provisionally recognized subject to the rendering of a ministrative advice and assistance by a Mandatory un

uch time as they are able to stand alone. The wishes of hese communities must be a principal consideration in he selection of the Mandatory.

t was proposed that an international commission should sent out to discover what "the wishes of these comnities" were, but France refused to nominate a repretative and the Commission never sailed. The Allied wers made their own arrangements for the Mandates; ly in 1920 they decided that Iraq should become a ndate of Great Britain, and that Syria, the land lying ween the Taurus Mountains and the Sinai Desert, uld be divided, Great Britain accepting a Mandate for southern part (Palestine) and for a bordering strip of ert henceforward to be known as the State of Transdan, and France a Mandate for the northern part-to ich the name of Syria was confined—that is, for the banon Coast and for the Arab State of Damascus of ich Feisal was King.

By the Mandate System, it was held, the strategic and nomic interests of the Western Powers would be secured il the mandated territories should be strong enough to arantee their interests with their own resources. At the he time the system did not overtly violate all the promises de to the Arabs.

A further fulfilment of the promises made to the Arabs s the position accorded to the Sherifian family. Hussain nself, now in his sixty-seventh year, was recognized as ng of the Hedjaz. (The Allies had nothing to fear from t, for the Hedjaz was not economically self-supporting relied for its livelihood upon the pilgrims who came the Holy Cities every year by boat to the Red Sea ports by the Pilgrims' Railway.) Hussain's eldest son, Ali, s to succeed him in the Hedjaz. His second son, Abdullah, s intended to be King of Iraq, under British Mandate. third son, Feisal, was King of Damascus. Thus did the ies honour the Prophet's family in his own country. No pretence was made of rewarding the other subjects of

the Ottoman Empire who had helped the Allies in th World War. The Armenians, though they had been promised home rule, were left to the mercy of the Turks; the merely took the form of a wholesale massacre. The Unite States had refused to accept a Mandate for Armenia. The Egyptians were left under a British Protectorate. Ibn Sauthe King of Nejd, was left ringed round by his enemies, the Sherifians.

Such was the partition of the Ottoman dependencies which the victorious Allies made in 1919 and in the firmonths of 1920. It was a settlement which settled nothing Even its authors did not expect it to last long, but they never thought that it would fail as completely as in fact it did.

The French in Syria. In accepting the Mandate for Syria, France had gone against the known wishes of the natives. What the three million inhabitants of Syridid want no one knows: between Moslem peasan and landowners, Druse hillmen and Levantine trade there were racial, economic and religious barriers whice made general agreement on any form of government in possible. But it was known (thanks to an American commission of inquiry) that they were opposed to a Manda and that if a Mandate were to be forced upon them the would prefer to be under any power rather than France Therefore the French had to inaugurate their mandator régime by force and to maintain it by force.

In August 1920 a military expedition under Gener Gouraud drove Feisal out of Damascus and declared the Arab Kingdom—which had lasted for two years—to labolished. In its place the French set up a military administration. Divide et impera was their policy. They divided the

¹ The majority were Moslems of the Sunni rite, but there were ma Moslems of the Shiah rite, divided into Metwalis, Circassians, Kur Persians and Turcomans. The Maronite Christians were in a major in the Lebanon, but there were also Melkites, Armenians, Syria Chaldeans and Latins who acknowledged the Pope and no less th seven Christian "Churches" who did not. The Druses held a distin post-Islamic religion.

ndated territory into no less than five separate States: panon, Latakia, Alexandretta, the mountain district ch they called the State of the Jebal Druse, and the ger district round Damascus which they called the State Syria. The five divisions were separated by the pararnalia of different administrations, different budgets, erent flags, and united by doubtful bonds supplied by nch officers and officials and by a common currency of reciated French francs.

he Syrians were distressed by this partition of their ntry and alarmed by the favours extended by the nch to the Christian minorities. Isolated groups of slems rose in rebellion in district after district, but it was to the virile tribes of the Druse to instigate the first ous resistance. In 1925 the French invited certain Druse lers to Damascus for a conference and there treacherly put them under arrest. A general rising of Druses foled in which the Damascenes joined. The French replied bombarding Damascus, the oldest inhabited city of the ld. An eye-witness's account appeared in The Times on ober 27: "The forty-eight hours' shelling, combined h the activities of the marauders, as might be expected, substantial traces. . . . The whole area lying between the midieh and the Street Called Straight has been laid in hs. The Hamidieh is greatly damaged, but far worse is Street Called Straight, the corrugated roof of which has n blown off in the centre for quite a hundred yards, and ortion of it was hanging down in the street like part of a apsed balloon. In both bazaars shop after shop was troyed, either by tank machine-guns, which riddled the shutters as they dashed through, or by shell or by

t was only several months later, when the French troops Syria had been increased to 50,000 and Senegalese had n set to burn down villages in which rebels were thought be hiding, that the rising was subdued.

The rising was not without good consequences. The thod of its suppression aroused such resentment in the

civilized world that France felt obliged to send out a states man of the first rank, M. Henri de Jouvenel, as Govenor de Syria; and the new Governor felt obliged to announce t the Permanent Mandates Commission of the League tha France's aim was to replace the Mandate by a permanen treaty with the Syrian nation. Now for the first time i became possible for the Syrians to co-operate with th French. The procedure laid down by the Mandates Com mission and followed by the British in Iraq was that th French should provide for the free election of a Constituen Assembly which would draw up an Organic Law; onc this law and the government set up under it had bee recognized by the French it would be possible for France t submit a treaty for Syrian signature. The British had signe their treaty with Iraq in 1923, giving Iraq independence and its King the right to decide what British forces should be stationed in his kingdom in future.

M. de Jouvenel made his announcement in 1926. Ove two years passed before the French had a Constituer Assembly elected and then they refused to accept th Organic Law which it drew up. It was November 193 before France actually offered a treaty to a Syrian Chambe of Deputies. The Chamber had been packed; it consiste of fifty-three Moderates—members favourable to the French Government—and only twenty-seven Nationalist Yet the treaty was rejected, forty-six members voted again it. There were things in that treaty which even Moderate could not stomach: the French had insisted that the existing partition of Syria into five States should continue and that the French Republic should maintain in Syria what ever camps, barracks, aerodromes and military forces thought fit.

British and Jews in Palestine. The failure of the French in Syria was no more serious than the failure of the British in Palestine. The Arabs hated the French but they had a even more bitter hatred for the British. In Syria one knew more or less, what to expect—the French were logical is

ir imperialism—but in Palestine one never knew: the tish insisted that they were there for the good of the abs yet they proceeded to countenance the importation ry year from every corner of the world of thousands of ws whom they treated as a privileged community in estine.

Most of these Jews were Zionists, members of an organizant whose aim was nothing less than to make Palestine a vish national home, the point of focus for the aspirations welve million Jews scattered all over the world. The idea Zionism had been conceived by a Dr. Herzl while acting a reporter at the Dreyfus trial in 1894. In the next thirty urs the movement had succeeded in settling nearly andred thousand Jews in the Holy Land. The Arabs are not disturbed by this immigration; they knew the Jews were there on sufferance and could be belled the moment they became obnoxious. Trouble gan only when a foreign Power took upon itself to ensor Zionism.

Great Britain had shown an interest in the movement en before the War and had offered the Jews Uganda as ir national home. Dr. Weizmann, the Zionist leader, n insisted that only Palestine could satisfy the spiritual eds of his people and the offer was rejected. During the r Dr. Weizmann became indispensable to the British. Vorking for the Admiralty," writes the Zionist Lord elchett, "Weizmann perfected his most subtle and comcated method of obtaining alcohol from wood, at a time en this material, absolutely vital for the production of plosives, was becoming impossible to obtain in sufficient antities owing to the submarine campaign and the abrmal conditions of war. Mr. Lloyd George has himself scribed the occasion and said that, confronted with one the most serious crises with which he was ever beset in : Ministry of Munitions, we were saved by the brilliant entific genius of Dr. Weizmann. Both he and the Allies a deep debt of gratitude and when they talked to him d asked, 'What can we do for you in the way of an

honour?' he replied, 'All that I care for is the opportunit

to do something for my people."

So it came about that on November 2, 1917, the Britis Government issued the famous Balfour Declaration: "H Majesty's Government view with favour the establishmer in Palestine of a National Home for the Jewish people, an will use their best endeavours to facilitate the achievement of that object, it being understood that nothing shall be done that may prejudice the rights of existing non-Jewis Communities in Palestine, or the rights and political statuenjoyed by Jews in any other country."

Great Britain accepted the Mandate for Palestine on the basis of the Balfour Declaration, undertaking "to secur the establishment of a Jewish National Home, to secure the preservation of an Arab National Home and to apprentice the people of Palestine as a whole in the art of self-govern ment." It was a fantastic piece of idealism. No doubt the British honestly thought that they could make the Arab lice and the Zionist lamb lie down together. Palestine was potentially rich enough for them both; they were both children of Shem, fellow members of the Semitic race their characters were complementary, the Jews industrio and orderly, the Arabs idle and nonchalant. British rul had performed miracles of reconciliation before, for is stance in keeping peace between Moslems and Hindus India. But the attempt to perform a similar miracle Palestine failed. The Arab continued to loathe the Jew an infidel who was exploiting his country, the Zioni continued to despise the "degenerate" Arab; and bo conceived a violent grievance against the British who policy was so vacillating that it seemed nothing better that hypocritical.

From the Armistice to the acceptance of the Manda the British ruled Palestine through a military administration which favoured the Arabs—their allies in the 19 campaign—and distrusted the Jews. Then in 1920 Starbert Samuel was sent to Jerusalem to apply the terrof the Mandate. Sir Herbert tried to be impartial but

a Jew himself and the Zionists tactlessly acclaimed him the first Jewish Governor of Palestine since Nehemiah." Arabs refused to recognize the Mandate, and dangerous broke out in Jerusalem and in Jaffa, and when Sir bert held a general election in 1923 the Moslem groups dered it abortive by refusing to vote.

he next High Commissioner was more successful. The bs appreciated the personality of Lord Plumer and they e delighted by an economic slump which, succeeding boom year 1925, sent many Jews scuttling bankrupt of Palestine; they thought they had only to wait and nism would liquidate itself. The quiet period did not long. In July 1929 when Lord Plumer had resigned and local slump had come to an end formidable riots broke between Arabs and Jews in Jerusalem. At last the ish Government realized that the Arabs had genuine vances; a commission of inquiry was sent out and lue course the Colonial Secretary, Lord Passfield, pubed a White Paper in which it was hinted that Jewish nigration would be restricted in view of the promise in Balfour Declaration "that nothing shall be done that v prejudice the rights of existing non-Jewish commues in Palestine." The White Paper was greeted by a m of protest from influential Jews. Ramsay MacDonald ved before the storm and wrote to Dr. Weizmann laining the White Paper away. The vacillation was not d for British prestige in Palestine.

The Jews have put millions of pounds and hope imasurable into their "National Home." They have settled on to agricultural life with an enthusiasm born of turies of wandering, they have made the soil of Palestine ng forth with such abundance that to-day it seems once re a land flowing with milk and honey. They are reloping its resources to meet more modern needs, they exploiting the potash of the Dead Sea and have harsed the Jordan to electric turbines. On the coast near fa they have built a new (and hideous) city, Tel Aviv, Hill of Hope, where fifty thousand Jews are living. Once

again Israel remembers the words of Deuteronomy: "The Lord thy God bringeth thee into a good land, a land o brooks of water, of fountains and depths, springing forth in valleys and hills; a land of wheat and barley, and vine and fig-trees and pomegranates; a land of oil olives and honey; a land whose stones are iron, and out of whose hill thou mayest dig brass."

Meanwhile the Arabs nurse their grievance: Palestine they say, belongs to them; they are still in the majority-there are six Arabs to every one Zionist; they are payin for all this development, paying two and a half millior pounds to Great Britain where before they only paid hundred and eighty thousand to Turkey. They dare no attack the Zionists, for the Jews have the British behind them. And it will be a long time before the British wirelax their hold on Palestine. They spent a million pound in rebuilding the port of Haifa and on bringing to it the opipe-line from Iraq. When the port was opened in 1933 the Arabs organized riots in Jerusalem. The riots were easil suppressed but they fulfilled their purpose in advertisin the Arabs' grievance to the world.

The Arabs in Palestine can expect no help from the brothers in the desert. The British Mandate for Palestin included a Mandate for Transjordan. Here they installe as King the second son of Hussain, Abdullah (whose non ination to the throne of Iraq had been dropped). The built a fine palace for Abdullah at Amman, and fin aerodromes and garages for their own bombing planes an armoured cars. Then in 1925 they annexed the countround Maan and Akaba and added it to Transjordan. The Palestine was isolated from the desert. There are no Jew in Transjordan, but neither is there Arab independence, for the British Resident at Amman is the real ruler of the country.

The Mandate system failed in Syria and Palestir primarily because control of those countries was so valuab to their Mandatories. Syria and Palestine were becomin again what they had been in the Middle Ages—the vit

e-route between East and West. It was most important control the new motor and air routes between the literranean and the Persian Gulf, most important to rol the new oil pipe-lines. The Mandate System failed, ndarily, because France and Britain each supported a ority—in one case the Christian, in the other the Jew—ead of the Arab majority. Meanwhile their policy of porting the Sherifian family in the Hedjaz had failed a similar reason.

di Arabia. By restoring a member of the Prophet's family to the Kingship of the Holy Province, Great ain had hoped to win the approval of Islamic opinion. ually the opposite was the result. "Husain," writes by in his Arabia, "launched out into a career of crazy potism preserving all the outward forms of modern ninistration, though with nothing of its spirit or subice. The whole government of the Hijaz was focused in King's person; every official of the administration was med to be and treated as a rogue, being ill paid or paid at all, on the assumption that he helped himself to at he needed out of the State revenues which passed bugh his hands; the State telegraphs, telephones and eless service (the last partly inherited from the War and tly developed by himself) were personally managed by King; motor transport, of which much had been hoped means of promoting the prosperity of the country, was rved for the sole use of His Majesty; aeroplanes of long carded types were purchased at high prices and then to rot because the King suspected robbery whenever an ent for spare parts or accessories was submitted for the al approval; the Army was kept on short rations and lom paid; the Ministers of State were treated as private vants; and the representatives of foreign Powers were ated with scant respect, culminating in a ludicrous ident when the King, observing through his binoculars planting of little red flags to mark the holes on the Iidda f-course, despatched one of his aides-de-camp to remove the offensive signs of foreign penetration! In a word, the administration of the Hijaz had by 1924 become a by word of Gilbertian comedy, and the people groaned under a tyranny from which there was no escape because it has apparent blessing of Great Britain. There were few who do not regret the passing of the spacious days of the old Tukish régime."

By 1924 the blessing of Great Britain was no more that apparent because Hussain claimed to be the King of All the Arabic Countries, and refused to recognize the Mandate He was a dauntless old man and persisted in considering the six million pounds which Great Britain had paid his between 1916 and 1919 as a fair fee for his assistance in the War and not as a bribe for his future subservience.

Meanwhile in Central Arabia a leader had arisen wl had even more reason than the British to be angry wi Hussain's claims to Arabian sovereignty. In the eighteen century a sect of Arabs from the oases of Nejd had led a 1 vival of the purest form of Islamic religion. The Wahhal as they were called from the name of their leader, refus to recognize the authority of the Caliph and the addition which had been made to the law of the Prophet. The believed in the literal observance of Koranic law, even its prohibition of shaving and smoking, of gambling a drinking alcohol, of wearing silk, gold, silver and orr ments, and of indulging in the practice of magic. T Wahhabi had carried Central Arabia before them and h taken possession of the Holy Cities of the Hedjaz. But the was long ago, beyond the memory of any living ma though living men can remember the time when the l Wahhabi ruler was driven out of Nejd, in 1885. The s of that ruler, Abdul Aziz II Ibn Saud, had been broug up as a penniless exile on the Persian Gulf. He was or five at the time of his father's expulsion, but he grew with the stamp of a leader upon him, grew up literally the height of six and a half feet so that he stood out he and shoulders above the little Arabs. When he was twen two Ibn Saud left the Gulf and collecting a small force

besmen clambered over the walls of Ridajd, the capital y of Nejd, and took the Turkish garrison by surprise. In course of the next ten years he made himself a conerable chieftain and the Turkish Government thought worth while to pay Hussain of the Hedjaz to lead an pedition against him. Hussain captured Ibn Saud's other and extracted Ibn Saud's recognition of Turkish cerainty and a douceur of a thousand pounds. That was in 12; it was the beginning of a life-long enmity between Sherif and the Wahhabi.

n this same year Ibn Saud founded an institution which alone enough to win him a permanent place in Arabian tory. His followers were nomad tribes who lived wanderfrom well to well in the desert. There was only one way them to avoid death in times of drought and famine, d that was by raiding—raiding the watering places of low Wahhabi tribes or of their neighbours, raiding the ravans of travellers on their way to the Holy Places. n Saud's problem was first to spread the doctrines of ahhabism and secondly to put a stop to raiding. He found colution in the creation of an order of military knights, Ikhwan or Brethren, men who were sworn to serve Ibn ud and who in intervals of service were encouraged to tle in comparatively fertile spots in the desert and to Itivate the land. These Ikhwan colonies were at once litary garrisons, agricultural settlements and religious pinaries for Wahhabism. The first was founded in 1912; day there are more than a hundred.

In 1913 Ibn Saud took his revenge on the Turks by caping Hasa and extending the Wahhabi dominions to the rsian Gulf. In the World War the Allies bought his utrality by the payment of £5,000 a month. It was a merection of what they were paying his enemy Hussain for same purpose but he needed money and accepted itish assurances that the Sherif's subsidy would not be a dagainst the Wahhabi. These assurances were violated the summer of 1918 when Hussain's forces on three occans attacked the oasis of Khurma, a district in which

Wahhabis were living. At last Ibn Saud retaliated; by surprise attack he captured Khurma and all but captured Hussain's son Abdullah who fled ignominously from the city in his nightshirt.

In 1921 a campaign against the Kingdom of Hail brough Ibn Saud's borders up to the Kingdom of Iraq. The Britis realized that it was time to come to terms with the Wahhab A conference was called at Kuwait, but no agreement could be reached: Ibn Saud was not pleased with the British policy of establishing members of the Sherifia family in Transjordan and Iraq as well as in the Hedja: and Great Britain was not pleased with the raids of Wahhabi tribesmen on the Iraq frontier. "Ibn Saud may course repudiate the action of his followers; that's the be that can happen, for otherwise we're practically at wa with him." So wrote Gertrude Bell in 1922; Great Britain

has been practically at war with him ever since.

When Mustapha Kemal, at the beginning of 1921 abolished the Ottoman Caliphate, Hussain was persuade by Abdullah, the least balanced of his sons, to take the office of Caliph upon himself. At the same time Green Britain ceased to pay Hussain and Ibn Saud the bribe for their neutrality. Ibn Saud had therefore a double excufor an attack on the Sherifian. He planned a threefold advance. In Transjordan and in Iraq the Wahhabi failed their camel-trains were easily bombed to pieces by the British Air Force. But there was no R.A.F. in the Hedja Ibn Saud drove Ali's army down to Jedda, on the Red Sol coast. The old Sherif—he was seventy now—bravely staye on in Mecca, but at last he was persuaded to abdicate. It Saud came to Mecca, but not as a conqueror; he entered on foot in the seamless garment of a humble pilgrir That summer, the faithful who made the Pilgrimage Mecca were surprised to find that peace reigned in the Holy City, peace secured by the purest sect of all Islan

Ibn Saud was ruler now of the Hedjaz and of Nej Nothing was more difficult than to weld these two kingdor into one. The puritan tribes of the central desert we ditional enemies of the loose-living Hedjazis; nothing uld please them more than to raid down on the Sacred nd and to attack the cosmopolitan bands of pilgrims who filed Mecca with their tobacco, their alcohol and their rade of riches. Ibn Saud had to restrain his tribesmen. He ld them in leash, chafing at the collar, while he allowed a lway line to be built from Jedda to Mecca, set up vices of motor-coaches to the Holy Cities, made arrangeents for the health and comfort of the pilgrims. The result s a record Pilgrimage in 1927 when a hundred thousand the faithful visited Mecca. But the Ikhwan were outred. Ibn Saud, they said, had forgotten his Wahhabi als; he was practising magic by travelling in motorrs and in setting up wireless stations in Arabia. Ibn ud replied with much wisdom: "Moslems are to-day akening from sleep. They must take hold of the weapons ich are at their hand and which are of two kinds stly piety and obedience to God; and, secondly, such terial weapons as aeroplanes and motor-cars." The tole Moslem world agreed with him, except the Ikhwan. tey rose in rebellion and showed their contempt of the aties he had made with the infidel English by raiding er the borders of Iraq. The English helped the Iraqis d bombed the raiders back into Neid where Ibn Saud s at last able to slay their leaders and bring the Brethren ck into submission.

At last Hedjaz and Nejd were really united; Ibn Saud is lord of Arabia from the Red Sea to the Persian Gulf, in the Indian Ocean to the Syrian deserts. The greatest niger to him now was the half-circle of British-protected ates which closed his northern frontiers. In 1924 he had to through the ring, seizing a corridor of land between ansjordan and Iraq, but the British had forced him to be it up. He had the greatest quality of a despot, knowlige of his own limitations. He knew that against the itish he was hopeless. Since the British were set on their ind-route from Palestine to the Persian Gulf and their oil pe-lines, the Lord of Arabia must swallow his rage and

make treaties of bon voisinage with his enemy Abdullah Transjordan and his enemy Feisal and Feisal's son in Ira That was inevitable. The only road for expansion lay to t south where a Moslem ruler still maintained an independent State in the Yeman. In 1934 Ibn Saud subduthe Yeman.

"Verily," said the prophet Mahomet, "God will se: to His people at the beginning of each age him who sh renew His religion." Ibn Saud was that renewer. T Wahhabi might mock: he had dabbled in the magic modernization, he had supped with the Devil, setting a State Bank guaranteed by Egypt, allowing the Ang American Oil Company to prospect. The world econon crisis prevented Moslems of Egypt, India and the E Indies from making the Pilgrimage in the usual number the nineteen-thirties and deprived the Hedjaz of its revent hence the concessions. But neither the post-war schemes the English to make Arabia a British Protectorate nor t world-crisis itself prevented Ibn Saud from gaining reco nition as King of Saudi Arabia, the only orthodox son the Prophet to rule a large kingdom in complete indepe dence of foreigners.

III: IRAQ: A NEW KINGDOM

AQ IS A NEW WORD to modern ears. Before the war it called Mesopotamia and known only as the conjectured of the Garden of Eden and as the certain centre of three her, though less idyllic, civilizations of the ancient world. ring the war it became familiar as the scene of the defeat he British under General Townshend and of their victory, ong last, when Baghdad was captured from the Turks March 1917; but even then it was not well known and ed statesmen were almost as ignorant as the general plic of the conditions and problems that underlay nat blessed word, Mesopotamia."

tish Rule, 1918-20. Actually the situation in 1918 this: the British had conquered the three Turkish vinces of Basra, Baghdad and Mosul, a country half as as the United Kingdom, with a population of two lion Iragis, half a million Kurds and perhaps a quarter a million Assyrian Christians. The Turks had been exled and in their place a new administrative machine conled by British officers had been set up by Colonel (now A. T. Wilson. His superiors had contradictory ideas the policy that should be pursued: in Whitehall three erent Government departments—the Foreign, India War Offices—had three different ideas as to the future Iraq. The Iraqis themselves had no definite plan, except t they did not wish to exchange the old despotism of the rks for a new despotism of Britons. Only A. T. Wilson w his mind quite definitely: he wanted Iraq to be a tish Protectorate which at some future date might prove rthy of being granted Dominion status. "If we wish to

make our Arab policy, whatever it is, a success," he wron "we must develop other political bonds at the earlie moment, and shape our commercial policy to that en With railway communications with Syria and Egypt, rap communications and cheap telegrams: with abunda literature and good universities and schools . . . I belie we could do something, but without these solid bonds I fe we shall never beat down Arab provincialism." His ta was a tremendous one: to restore order and create properity in a country of primitive economic condition possessing no modern means of communication except 6 miles of railway and ten miles of macadamized roads, a occupied by an immense army. He worked with Napoleon energy and the administration he set up was undoubted efficient. But in the twelve months before his recall in 19 Iraq cost the British Government over thirty million pour and "Arab provincialism" was by no means "beaten down

On the contrary when it was announced in Baghdad the Iraq was to be under British Mandate the Iraqis rose rebellion. In Arab translation the word Mandate becon "domination." So the Iraqis were to be under Britidomination and all the Allied promises had been blue Natives murdered British political officers in outly stations, and the whole area of the Middle Euphrates we wrested from British control.

The situation was clearly explained to the British pubby T. E. Lawrence in a letter to *The Times* on July 22, 19 "It is not astonishing that their (the Iraqis') patience I broken down after two years. The Government we have up is English in fashion, and conducted in the Englishinguage. So it has 450 British executive officers running and not a single responsible Mesopotamian. In Turk days 70 per cent of the executive civil service was local. C 80,000 troops there are occupied in police duties, not guarding the frontiers. They are holding down the people In Turkish days the two army corps in Mesopotamia w 60 per cent Arabs in officers, 95 per cent in other ranks. To deprivation of sharing the defence and administration

e country is galling to the educated Mesopotamian. It is ne we have increased prosperity—but who cares for that hen liberty is in the other scale?"

he Mandate. In the fighting between July and ctober there were over 2,000 British and Indians killed d wounded; and Arab casualties were estimated at 450. The solution was to make the Arabs responsible for ministering their own country. In October Sir Percy ox replaced Colonel Wilson in Baghdad and immediately vited a number of prominent Iraqis to form a Cabinet. he ministry so formed was the first Arab Government in esopotamia since the thirteenth century. "Long life to e Arab Government. Give them responsibility and let em settle their own affairs and they'll do it every time a ousand times better than we can." So wrote Gertrude ell; no European except perhaps Lawrence had a closer nowledge of Arabs. It was a very limited responsibility at Great Britain gave the Iraqis. At the Cairo Conference 1921, the Colonial Secretary, Winston Churchill, deded to withdraw the British army from Iraq, but he placed it by the Royal Air Force—a much more effective well as a cheaper arm for policing that particular country. was also decided that Iraq should have an Arab King, at when native opinion proved to be divided over the noice the British deported the "Nationalist" candidate nd so secured the acceptance of their own nominee the nerifian Feisal.

ing Feisal I. Feisal's life had been full of difficult truations—first during his boyhood as virtual prisoner of the Red Sultan, Abdul-Hamid, in Constantinople, then in the Hedjaz under his hectoring father, later as leader of the rab revolt, and finally as King of Damascus until his expulsion by the French—but nothing had been so difficult the position in which he found himself as King of Iraq. Is the nominee of the British he was naturally suspect to some new subjects. As ex-King of Damascus he was hated by

his French neighbours in Syria. As an orthodox Sunni Moslem he was distrusted by the Persians who were Shi'ites and feared for the safety of their Holy Cities on the Euphrates now that Iraq was under a Sunni ruler. And as a Sherifian he was the enemy of his other neighbour, Ibn Saud of Nejd.

Feisal walked with marvellous delicacy. He was a man of great natural dignity and of unusual patience and tact. He never deviated from his policy which was to build up an Arab National State which would be respected by its neighbours and supported, though not directed, by the British, When the Colonial Office cabled that he was to announce in his Coronation speech that the ultimate authority in the land was the British High Commissioner. Feisal insisted that he was an independent sovereign in treaty with Great Britain; and this was the relationship that was ultimately accepted by a treaty of 1923. France could not in decency withhold her recognition much longer, and in 1925 a Franco-Iragian convention was signed allowing trade-transit between Iraq and Syria. A Persian treaty followed, when Feisal had shown his good intentions towards the Shi'ites and had found money to build the Irac section of a road which was to connect Baghdad with Teheran. Ibn Saud proved more difficult to reconcile; it is difficult enough to lay down a boundary in the middle of the desert at any time, but when one party insists on building aeroplane depots on its side of the line, negotiations are bound to be strained. In 1930, however, Feisal and Ibn Saud met in a personal interview and henceforward the relations between their two States were comparatively peaceful.

The modernizing movement which spread over all Moslem countries in the post-war years could not be kep out of Iraq. The new kingdom could not afford to neglect Western technique, without which it must remain a poor country of nomads and cultivators, the prey of every armed invader. Feisal realized this and encouraged the introduction of Western methods wherever they did not interfere

ith the observances of Islam. He set a personal example travelling by motor-car and by air—though no motor-transport had been seen in Iraq before the war and an aeroplane as still regarded by most of the inhabitants as a diabolical eccies of bird. He wore European clothes and sent his bunger brother Zeid and his son Gazi to be educated in ngland. His wife and daughter he kept in Oriental seclutor; it was not for a descendant of the Prophet to go the urkish lengths in aping the West.

the Problem of Mosul. One problem Feisal never olved: the problem of Mosul. That province, which for enturies was ruled by the Turks, was promised to France 1916, and the French waived their claim when it was accorporated into the Mandated Territory of Iraq only on ondition that they should be paid a quarter of the profits the oil-fields. An Iraq Petroleum Company was formed exploit Mosul, investment by Westerners in that company upidly reached the figure of ten million pounds and a spe-line was laid across the Syrian desert to take the oil to faifa and to Tripolis. The solvency of the new Iraq kingom depended upon royalties from the oil-fields. If the raq Government failed to maintain order in Mosul there as no doubt that the Western powers would intervene to rotect their interests.

The province of Mosul had in ancient times been the ome territory of the Assyrian Kingdom; never had it been rabic in character. The majority of the inhabitants were turds, and it was on this ground that the Turks, who in heir National Pact had renounced all claims on the Arabocaking dominions of the Ottoman Empire, laid claim to dosul after the War. They intended to unite the half hillion Kurds of Mosul with the three million Kurds who wed north of the Zoga Mountains and to impose Turkish anguage and government upon them. The Allies, on the ther hand, had laid down at Sèvres that Northern Kurdistan should become an independent State which the Kurds of Mosul might join if they desired. When this treaty was

not ratified the Allies changed their policy, insisting tha the province of Mosul was strategically necessary to the new State of Iraq. This was no doubt true, but it was hard on the Kurds, who had been the enemies of the Iraqis from time immemorial and who would have preferred dependence of Turkey to dependence on Iraq. The Kurds have a proverb

> A Camel is not an animal, An Arab is not a human being,

and there is an Arab proverb:

There are three plagues in the world, The Kurd, the rat and the locust.

The Kurds resisted the new domination strenuously. The are fine fighters—the Kurd has the finest physique in al the Middle East—but the odds were too heavy for them The British with Assyrian auxiliaries overran Mosul anset up a Government of British officers, who were eventually replaced by even less sympathetic Iraqis. And so between the economic imperialism of France and Britain and the naissant nationalism of Turkey, Iraq and Persia (where there are 700,000 Kurds) it would seem that that fine race the descendants of the ancient Medes, will be crushed to death.

The Assyrian Christians. A similar fate is in store fo another race which war-necessities of Great Britain brough within the boundaries of Iraq. Before the war some fort thousand Assyrians lived in Turkey. Theirs was the difficul existence of a Christian community surrounded by Moslems but they were proud of their faith, which was that of th Nestorian branch of the Church, and showed no tendency t be absorbed into Islam. When the war broke out British agents encouraged their young men to leave their home and join in the war against the Turks. After the war the found themselves encamped in the No-Man's-Land between Turkey and Iraq. Turkey, not unnaturally, refused to le

m return to their Anatolian villages: they had made ir bed, now they must lie on it. But the British proceeded estrange them from their new bed-fellows by using them auxiliaries against the Kurds and, subsequently, by ploying them to guard the British aerodromes in Iraq—a ty for which it was too costly to employ European troops d which Iraqis could not be trusted to perform. Active rescution began in 1924 when the Turks plundered the syrian settlements in the No-Man's-Land. Thousands of syrian refugees took refuge in Iraq where the British thorities promised them asylum.

In 1933 Great Britain surrendered the Iraq Mandate and ir promise to the Assyrians was forgotten. The Iraq binet determined on the extermination of the infidels d refused to listen to Feisal's pleas for moderation. atly they hoodwinked the British by sending British anes to drop leaflets on the Assyrian encampments, omising them safety if they gave up their arms. The syrians duly surrendered. A few days later they were

assacred in cold blood by Iraqi troops.

This was October 1933. In September Feisal had died heart failure brought on by the strain of a journey from rope to Baghdad undertaken in the hope of dissuading ministers from persecuting the Assyrians. Feisal had led in Mosul but to him more than to any other leader cept Ibn Saud must go the credit for having played the rt of accoucheur to Arab nationalism. But whereas Ibn ud brought the Kingdom of Hedjaz-Nejd into the orld by Cæsarian section, Feisal allowed the process of rth in Iraq to take its normal course. He accepted the ngship under the British Mandate, he signed a treaty th Britain in 1923 accepting British military assistance, d he saw in 1932 the admission of Iraq to the League of ations, which brought the British Mandate to an end. aq was the first mandatory State to emerge to indendent Statehood. When he died his work was still finished; the navel-cord of the Mosul pipe-line remained a symbol of Iraq's attachment to the Western world.

Feisal was succeeded by his son, Gazi I, a young man o twenty-one, who although (or, perhaps, because) he had been educated at Harrow was not enamoured of Western methods. He knew that the greatest danger to the infankingdom was the attentions of her British alma mater. Tha danger was clearly expressed in the first month of hi reign by Sir A. T. Wilson, who wrote, "Baghdad and Basra are to the air communications of the British Empirion the East what the Suez Canal is to our sea-borne trade with Asia."

The full import of that remark can be best understood in the light of the recent history of Egypt.

IV: NATIONALISM VERSUS IMPERIALISM IN EGYPT

NO PART OF THE WORLD are the contradictions terent in British imperialism to be seen more clearly than Egypt. Great Britain began to take an interest in Egyptian airs when Napoleon I struck at her Eastern communicans by way of the Nile delta. When Napoleon III built anal through the isthmus of Suez, that interest became bassion. The bankruptcy of the Egyptian Khedive was excuse for buying a controlling interest in the canal, d the attempt of an Egyptian soldier, Arabi Pasha, to n "Egypt for the Egyptians" was the excuse for estabning a military occupation of the country. For twenty-two ars the British ruled Egypt without admitting that they re exercising any degree of sovereignty whatsoever. ypt was part of the Ottoman Empire and the British re there nominally as officials and officers of the Khedive d of his overlord the Sultan-Caliph; they observed the malities of the Ottoman régime, risking sunstroke by aring the fez and ridicule by adding the Turkish title Pasha" to their incongruously English names. In 1914 en war was declared between Great Britain and the toman Empire it became impossible to keep up that etence any longer: a Proclamation of December 18 nounced that "Egypt is placed under the protection of s Majesty and will henceforth constitute a British otectorate."

he British Protectorate. Even then the object of itish policy was not clearly stated. An appearance of typtian independence was maintained, the Khedive was

honoured with the title of Sultan; it was insisted that the Protectorate was a war-time expedient, not a permanen annexation to the Empire. The Egyptians were not invited to join the Allies in the war against the Central Powers They found themselves consequently in a most anomalou position: Egypt, to quote Lord Lloyd, "was neither combatant nor neutral: she was in the heart of the striff yet not of it. . . . For England, Egypt became a theatre of war, merely an armed camp of the greatest importance But to herself she was still a country occupied with her own problems, intensely aware of their importance, and only incidentally concerned with the issue of the armed struggle."

It was obvious that the Egyptians would be the sufferer from this situation but no one could have foreseen the degree of ill-treatment to which they were actually sub jected. In spite of the fact that the British had explicitly promised not to call upon the Egyptian people for militar aid they used the Auxiliary Egyptian Corps in activ fighting against the Turks and pressed thousands o fellaheen into ill-paid service in the Egyptian Labour Forc by a method which amounted to conscription. The whole Nile delta was put under martial law and the inhabitant became hewers of wood and drawers of water for tw hundred thousand Allied troops. Corn was commandeered by the English and the entire cotton-crop was bought up a a not very generous price. Camels and donkeys-for which the Egyptian feels some of the personal attachment which a: Englishman feels for his horse-were requisitioned. It is true that the hotel-proprietors and shopkeepers of Cairo and Alexandria grew rich, but the country as a whole learne to loathe the British from the bottom of their hearts an longed only for the end of the war when the promise evacuation would be fulfilled. There was a chant popula among the fellaheen in those days:

Woe on us, Wingate¹
Who has carried off corn,

¹ Sir Reginald Wingate was British High Commissioner, 1916-18.

Carried off cattle,
Carried off children,
Leaving only our lives,
For love of Allah, now let us alone.

Then Armistice came the Egyptians naturally thought the end of their troubles was in sight since President son's principle of self-determination was to be the basis he peace-settlement. To their utter surprise the British horities refused to let them send a delegation to Paris. bugh Abyssinia and the Hedjaz had sent delegations pt was not to be allowed to state her case before the ce Conference. Resistance to this ruling was promptly anized by a certain Zaghlul who formed a party (called Wafd) which demanded nothing less than complete pnomy for Egypt. The British reply was to deport thul and three other Wafd leaders, in March 1919.

e Nationalist Revolt. This was greeted by a camof wholesale sabotage against the British. Egyptian ionalists cut the telegraph wires and destroyed the ways and roads round Cairo until the capital was ated from the outside world. The railway line from the lan they broke in two hundred places. For the most part sabotage was carried out without bloodshed but at one ntry station national enthusiasm got out of hand and nt Englishmen were murdered. The Allies were thus ted to pay some attention to Egypt; they sent Lord enby out to crush the rising. Fortunately Lord Allenby I the wit to see that the rising was more than a put-up engineered by half-educated politicians; he realized t it was a nationalist movement and that nationalism, religion, thrives on persecution. Previously Egyptian ionalism had been confined to the professional classes, he young officers in Arabi's day and more recently to the dents, lawyers and journalists who comprised the small ive intelligentzia. The result of the War had been to ead nationalism to the naturally peace-loving fellaheen.

Allenby invited the Egyptian leaders to co-operate withim in restoring order and recalled Zaghlul from exile for that purpose. The Wafd then adopted new tactics; the called off the sabotage campaign and resorted instead the more British method of strikes and peaceful picketing Gradually opinion in England came round to the view that nothing would placate the Egyptians but a termination of the British Protectorate. Such, at any rate, was the impression of Lord Milner who had been sent out with a Commission in December 1919 to report on conditions in Egyp

But it was one thing for Britain to agree to remove the Protectorate and quite another for her to allow Egypt un conditional independence (the latter was the demand of Zaghlul, who was thereupon deported a second time for organizing a boycott of the Milner Commission). At latthe British Government agreed upon a compromise an laid down the terms of a new relationship with Egypt in

Declaration of February 28, 1922.

"The British Protectorate over Egypt is terminated and Egypt is declared to be an independent sovereig State."

But:

"The following matters are absolutely reserved to the discretion of His Majesty's Government until such time as it may be possible by free discussion and friendly a commodation on both sides to conclude agreements are regard thereto between His Majesty's Government are the Government of Egypt:

"(a) The security of the communications of the British Empire in Egypt.

"(b) The defence of Egypt against all foreig aggression or interference, direct or indirect.

"(c) The protection of foreign interests in Egypand the protection of minorities.

" (d) The Sudan.

"Pending the conclusion of such agreements, the stat quo shall remain intact."

"Independent Sovereign State." tory of Egypt since 1922 has been one long struggle to me to an agreement with Great Britain on these four erved points. Controversy was most heated over the st and last. "By Britain's communications," writes rd Lloyd, "must be understood not merely the Suez nal but all communications by sea routes, air routes, or id routes, with India and Australia within the Empire, d with Persia, Mesopotamia and China, where our litical and commercial interests at stake are incalculable; ere were also our aerial communications with African ritories." Egyptian opinion was prepared to recognize at these communications were vital to the well-being of British Empire but held that guarantees of their eservation should not be wrested from the Egyptian byernment by force majeure; after all the British had cently granted independence to the South Africans and the Southern Irish without insisting on such "material arantees" and they should be prepared to show similar nfidence in the people of the Lower Nile.

The Sudan was an equally hard nut to crack. The Sudan a vast territory including the upper valleys of the White d the Blue Nile; whoever controls the Sudan controls the tire water-supply of Egypt. The argument of the yptians with regard to the Sudan was the same as that of reat Britain with regard to the Suez: her whole economic e depended on it. In addition the Egyptians claimed that ey were united by religious, linguistic and political links th the people of the Sudan, for the religion of both untries is Islam, the language of both is Arabic ("Sudan" an Arabic word meaning "the Blacks") and in the nineenth century both were under the common rule of Mehemet i by whom Khartoum was founded. To these weighty guments the British replied that they had won back the Idan for Egypt after the Mahdi-istrebellion of 1883-1895, at British enterprise had planted the Sudanese cotton-fields nd built railways and ports, and that therefore they were titled to share with Egypt the sovereignty of that area.

The British attitude towards the "reserved point aroused a wave of resentment among Egyptian nationalis Every Dominion in the British Empire, they pointed of had a greater degree of self-government than that whi was allowed to the "independent sovereign State Egypt" by the Declaration of 1922.

The Leadership of Zaghlul. A great deal depended on t personality of the Wafd leader. Zaghlul was the idol of t Egyptians. They gloried in his career, remembering that had been born a humble fellah, had taken part, as a you man, in the Arabi rising of 1882 and later had risen by wits to be Minister of Education, and the most popular all Lord Cromer's ministers; they delighted in his pe sonality, loving his tall angular body, his unfailing sense humour, his unpretentious pleasure-loving way of livi and his gift of prophetic oratory. No one in post-war Egy has had a fraction of Zaghlul's popularity-Fuad, the m whom the British chose to be the first King of Egypt, w openly hated, he had been brought up in Italy and known nothing of Egyptian affairs. On his return from his second exile Zaghlul became Prime Minister of the new Egyptis Parliament with a strong majority behind him. If Briti diplomatists could have made him see their point of vie the Egyptian problem would have been settled. They faile and blamed Zaghlul for being an irreconcilable revolution ary. When Egyptian nationalism like all such movemen rose to fever-heat and, passing beyond the control of leader, expressed itself in a series of political assassination the British laid the death of their officials at Zaghlul's do A climax was reached in 1924 when Sir Lee Stack, t Commander-in-Chief of the Egyptian Army and t Governor-General of the Sudan, was assassinated in Cair Zaghlul was forced to resign and a period of repression for lowed during which King Fuad ran the internal administr tion of Egypt on the old despotic model of rule by "King Friends." Great Britain seemed to prefer this régime Egypt to any essay in responsible government, for wh general election of 1926 returned a hugh Wafd majority new High Commissioner, Lord Lloyd, objected to hlul's becoming Prime Minister, Zaghlul stood down. remained the most influential man in the country. In 7, when in his sixty-seventh year, he died. All Egypt it into mourning.

Dictatorship of Sidky. Zaghlul's death did not bring understanding with Great Britain any nearer. In 1930 Labour Government offered Egypt a new treaty: Egypt to be allowed to officer her own army provided that at Britain might use Egypt as a base in case of war, the ce of High Commissioner was to be abolished, and the an was to be under the joint rule of the two Powers. Egyptian Parliament rejected the treaty; it did not ar enough for Zaghlul's successor, Mustapha Nahas, who come into power with a Nationalist majority at the tions of 1929. So King Fuad took advantage of British our to suspend Parliament.

ince 1930 Fuad's friend Ismail Sidky has ruled Egypt Dictator. In October of that year he promulgated a new stitution. The King was given the right to suspend or olve Parliament and to nominate sixty out of the hund members of the Senate. The Chamber of Deputies to be elected by the people only in the first electoral se, that is to say the people might choose one voter out very fifty to act as parliamentary elector. Half a loaf in case was as bad as no bread, for the Wafd was forbidden hold meetings, its Press gagged and at the elections of 1 its leaders shut up in Cairo. Hundreds of people were unded by the police in the course of these elections and results, as might have been expected, gave Sidky a nfortable majority.

t has been seen that the movement for democratic selfernment which rose with the post-war prosperity of ypt was not able to survive the economic slump. The t-war cotton boom brought fabulous riches to Egypt; d soared in value and between 1916 and 1920 the price

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of cotton rose by almost a thousand per cent. For ten year Egyptians had money to burn and the torches of politic reform flared high. Then came the slump of prices at Egypt, following the example of countries more experienced in democracy, resorted to Dictatorship to guide he through the dark years.

In 1934 the Egyptian question was still unsettled. T "sovereign independent State" still had a foreign garris in its capital and a foreign Power in control of the Suez at of the Sudan. In the post-war years a nation had been bo but it was not yet able to stand on its legs. Great Britanian

had done but little to teach it to walk.

V: THE REVIVAL OF PERSIA

RSIA was never part of the Ottoman Empire like the r Islamic States which we have been discussing, but its unes are so closely connected with theirs and its history losely resembles that of Turkey that it seems proper to its story here.

t the beginning of this century Persia had fallen a prey British and Russian imperialism. In 1907 an agreement signed by which Great Britain took control of the thern half of the country and Russia of the northern. fall of the Tsar in 1917 meant the withdrawal of sia's claims and opened up a glorious prospect to ain's Foreign Minister, Lord Curzon. He dreamed of ending British control from the Persian Gulf to the pian and adding a magnificent frontier province to ish India. British forces drove the Turks back over their ders in 1918 and garrisoned the strong places of Persia, the Shah had no alternative but to sign, in 1919, an cement by which Persia came under the military and tical control of Great Britain.

e Coup of Riza Khan. The dream was rudely shattered. Bolsheviks overran the province of Gilan in North sia, established a Soviet Republic there in 1920 and at on to invade the fertile plains of Mazanderan. There among the defeated Persian Cossacks a young officer o had been bred on a farm in Mazanderan and who keenly the approaching dissolution of his country. In the rode into Teheran—an unknown trooper with only ce thousand men behind him—arrested the most minent officials, forced the Shah to nominate him

Commander-in-Chief and Minister of War and made his self military dictator of Persia. The British agreement wrepudiated and the Soviet Republic of Gilan was dissolv. The trooper's name was Riza Khan. For years he had a self-war and the soviet Republic of Gilan was dissolved.

The trooper's name was Riza Khan. For years he is served in the Persian Cossack division which had be administered and officered by the Tsarist Army; he is no organization or influence to support him; he establish himself by the force of his personality and by his infection faith in Persian nationalism. In October 1923 he becan Prime Minister of Persia and the Shah left on a "visit to Europe. Almost on the same day another soldier is proclaiming himself first President of the Turkish Republication Riza Khan was tempted to take the same course, establish a Republic in Persia, but the weight of religion opinion was too strong to allow him to follow the exam of the impious Turks, and Persia remained an Empire with out an Emperor until 1925 when the Constituent Assem made Riza Khan the Shah. He chose the title of Shah Republication, a word which means Parthian in old Persian.

His crown was richly deserved. In the four years sin his coup d'état he had restored law and order to Persia; feudal chieftains had been forced one by one to capitula the British had withdrawn their officers from the Sor Persian Rifles, and even Sheik Keisal, who had enjoyed partial independence of Persia under British protection thanks to the importance of his lands on the Shatt-el-Auto the Anglo-Persian Oil Company, had surrendered to new Government of Teheran.

Persia's New Independence. Persia had won her dependence but independence in the modern world of be retained only by modern methods. Riza Khan's graproblem was how to introduce that measure of West technique which was necessary to the defence of Perwithout giving the control to Western experts who wo bring Western political ambitions in their train. He control to Persians to carry out a movement of modernation for themselves; the Persians are the laziest and methods.

sciplined people in the world; nearly a quarter of them e still leading the nomad life; there was no élite of tern-educated intellectuals as there was in Turkey. Riza in had perforce to hand over much of the administrative ness to foreigners from the West. The finances were put er the control of Americans headed by Dr. Millspaugh, Customs under Belgians, some of the educational work er Frenchmen. So far Riza Khan was running no risk France, Belgium and the United States had no political s in the Persian fire. It was in dealing with Russians Englishmen that he had to be careful. The Transcasian and Transcaspian Republics were now part of U.S.S.R. and the Soviets were pressing for communicas from the Caucasus to the Persian Gulf. The British trolled the Anglo-Persian Oil Company which employed nty thousand Persians and ran a pipe-line from Ramuz he island of Abadan where they were building an imnse refinery and port; what is more the British were ssing for a railway from Baghdad to Teheran and for an route from Persia to India.

ersia had the direst need for improved means of comnication: "On account of transport difficulties," wrote Millspaugh in 1924, "surplus wheat and barley may rotting in the fields of one part of Persia while six hund miles away the population may be suffering from a ad famine." At the same time it was essential that the v routes should not be under foreign control. Very skily the new Shah played the British off against the ssians. He vetoed the plan for a Baghdad-to-Teheran way but allowed a road to be built instead and granted perial Airways the right of building air-stations for their ro-to-Karachi route on condition that the aerodromes uld become Persian property. At the same time he owed the Soviets to run an air-service from Moscow to heran and promised to lay a railway from the Caspian to the Persian Gulf. For this railway he chose a northern minus which was well outside Russia's sphere of control the Caspian and a southern terminus equally well Iw

outside British control on the Persian Gulf. The obvious outhern terminus was Mohamarah on the Shatt-el-Arabut this was far too near to Iraq. The station was bui instead at Khor Masa, a deserted inlet of the Persian Guland in 1930 His Majesty himself opened the southern parof the line—not without difficulties if we are to believe the report in The Times that the royal train "was twice derailed and finally the engine caught fire." Riza Khan played dangerous game successfully; he gave Persia a skeleto system of transport and communication at the particle expense of Great Britain and the U.S.S.R. without sacrificing political independence to either.

To achieve economic independence was a more difficu matter. Comparatively speaking, the economic position Persia is not bad. "The standard of living is marked higher than the average in India, and lower than Western Europe. The Persian peasant eats unleavend wheatmeal bread and supplements it fairly frequently wi cheese, mutton, rice, fowls or eggs. The very poorest vi agers eat bread made of barley or even millet or acorr Sugar and tea are expensive but astonishing quantities a consumed. The Persian digestive system thrives on health lubrication with animal fats. Fruit in season is plentiful at good. The people are usually well clad and there is litt destitution. . . . With Persians the extremes of poverty an wealth are not so far apart as in industrially organiz Europe. The general standard is simple but sufficient." Y Persia is not self-supporting; almost all her cotton clot sugar and machinery comes from abroad. The Shah h been able to do nothing to make his country independe in the last two respects though he has done something check the importation of the first—much the largest ite on the importation of the inst—intended the largest he on the import list—by setting up cotton factories in five the largest towns. To balance her imports Persia exposil, carpets, fruit and opium. For her oil market she dependent on Great Britain. The Anglo-Persian Oil Control of the importation of the inst—intended the largest her instance in the largest her inst pany pays royalties which make up nearly a quarter of t

¹ A. T. Wilson in Persia.

ian budget but it is not a satisfactory form of revenue it is galling to Persian opinion to know that the Comy divides among the foreign shareholders more than million pounds of profit every year. For her carpet and market Persia is dependent on foreign nations' tariffems, and especially on the goodwill of Soviet Russia. I the market for opium is at the mercy of international nion on the moral value of that article: the League Nations suggested that Persia should substitute other as for the poppy and Riza Khan replied that he only too willing to restrict poppy-growing if fellownbers of the League would reduce their tariffs on our products of Persia; and there the negotiations broke on.

o one would deny Riza Khan respect for his handling he internal situation in Persia. Before 1921 the Shah's vernment was not obeyed beyond the town-moat of eran; to-day his word is law in every province. Order that huge country—its twelve million people are scatd over territories three times as large as France—has been won by persuasion; the Parliament is as impotent he Turkish Parliament under Mustapha Kemal and the ian Parliament under Mussolini: Persia is ruled by the y, a finely trained force with a peace-strength of over poo. At first the *Ulema* opposed the edict of conscription ch Riza Khan judged necessary; it was contrary, they I, to Koranic law. The Shah treated them with the nost respect, invited them to Teheran and gave their ders seats in his Cabinet; and the Ulema thought fit to onsider their interpretation of the Law.

The best soldiers of Persia come from the nomad tribes. a Khan's difficulty has been to find a way of preserving ir military virility and at the same time of ending the pits of raiding and anarchy which the nomadic life is to engender. He has found a solution by encouraging tribes to confine the care of the wandering flocks to a families and to settle the remaining families as cultiors in agricultural districts. At the same time he has

surrounded the tribal lands by a class of peasant propriet whom he has subsidized by liberal grants.

There is an obvious superficial parallel between t post-war history of Turkey and of Persia: in both countr there has been a national revival under a soldier who h made himself Dictator, in both the foreign Capitulation have been abolished, in both a degree of Western techniq has been introduced, in both there is an acute distrust foreigners, Persia going as far as to pass in 1933 a deciforbidding State officials and officers of high rank to as ciate with European women or to attend receptions giv by foreigners. But we must not let the similarities blind to the differences, which are as great as that between t unbalanced upstart violence of Mustapha Kemal and monumental handsome dignity of Riza Khan. The Turk revolution has been that of a race establishing itself as nation for the first time, the Persian revolution that of very old nation comprising many races turning to secu its national autonomy. Under the necessity of ridding the selves at once of old shackles the Turks have torn off mu of their living flesh, doing violence to their own tradition culture. The Persians have had no need of such violence they abolished the Religious Courts, it is true, but th preserved the Islamic law of marriage and divorce; th culture lies immeasurably deeper than the Turks' and t Shiah rite of Islam was established in Persia when Turks were still savage nomads in the Gobi desert.

The Subservience of Afghanistan. Movements toward Westernization and nationalism were common to make Islamic States in the early twentieth century, but they we not always successful. In Afghanistan for instance they we a signal failure. The Afghans had long suffered for being buffer between Russia and Great Britain. The Russi Revolution of 1917 removed the danger of Russian I perialism and the Afghan King Amanullah considered the infuture his country could do without the galling support Great Britain, especially as the British were then the

h-enemies of Turkey and of the Sultan-Caliph who was leader of the Moslem World. Amanullah sent expeditions er the Khyber Pass against British India in 1919, but the s when Afghan tribesmen were a match for Western liers were past; they had no weapons to withstand bombing plane and the machine gun. He was forced to clude a treaty with Great Britain in 1921 and was lucky that the British did not insist on inserting a clause stipung British control of Afghanistan's foreign policy. In same year he made a similar treaty with Soviet Russia. w he felt safe in introducing Western reforms after the nner of Mustapha Kemal and Riza Khan. But Amanah was not an inspiring national leader and his subjects re more orthodox in their allegiance to Islamic law than Persians or the Turks. Revolts broke out against the ng's reforms in 1923, and in 1929 Amanullah was driven the throne. His successors fared no better. His brother ed for a few days, a usurper for a few months, and King dir Shah Gazi for four years. British help accounted for comparative longevity of the latter, he was lent without erest £,750,000 and 10,000 rifles with five million rounds ammunition; but in November 1933 he was assassinated his nineteen-year-old son mounted the precarious one as King Zahir Shah.

Russo-British jealousy still denies Afghanistan the prost of emancipation. That country is still a pawn in the

ne of the Great Powers as Persia was until 1921.

nclusion: Islam Adolescent. Less than a generation the Islamic world was still mediæval. Like Christianity the Middle Ages Islam was more than a metaphysical th: it was a system of social and personal behaviour. orthodox Sunni Moslems recognized the primacy of Caliph, and Moslems of whatever denomination allowed ir dress, their speech, their manners, their conduct vards wives, children and the surrounding world of idels to be prescribed by learned men's interpretation the Koran and the Traditions of the Prophet. But already

Islam was being threatened by the incursions of the Westerworld; British rulers were in control in India, Egypt and the Persian Gulf, Russians in Turkestan and North Persis French in North Africa, and the Ottoman Empire worlddled by foreign Capitulations. Western imperialis brought Western ideas and at length it became obvious that Islam was faced by a direct choice: either to ada herself to Western civilization or to be absorbed by it.

The climax came in the World War when Turkey, Syr-Palestine, Iraq, Egypt and Persia became battle-grounds to the struggle between the Western nations. At first it seem as if the West would absorb Islam: in the years immediate following the Armistice Syria, Egypt and Iraq were punder what amounted to French and English martial land Persia and Turkey were on the point of being partioned. Then with a great effort Islam flung herself fre Turkey won her independence under Mustapha Kem-Persia under Riza Khan, Arabia under Ibn Saud, and national risings Egyptians, Iraqis and Syrians asserted the right to control their own internal Government. In the groof the modernized West the Islamic lizard had sloughed skin and emerged in a new guise.

Islam is free. But it is not the old mediæval Islam. T superficial change has been so great that many people ho that Islam is dead and that the Middle East of to-day is r Islamic at all. It is true that most of the old distinguishi marks have gone. The Caliphate has disappeared without a hand raised to save it, and it is certain that if ever t office is revived it will not be in the Islamic form of temporal power but as a spiritual primacy after the fashi of the modern Papacy. The status of women in Mosle towns has been changed: no longer are they the proper in the economic sense, of the men—Turkey has even go so far as to give men and women complete political equali The Arabic script is no longer common to every Islan language; it has been replaced by Latin letters in Turkest and Turkey and the reform, there is no doubt, will sprea And Arabic dress has been discarded to some extent

sia, Egypt and Iraq as well as in the Turkish countries I will soon become the exception rather than the rule all Moslem towns. But these changes are not much more n skin-deep. The Caliphate, the subjugation of women, abic letters and the covered head were only incidental to m. The life of Islam depends not on them but on the th and on the vitality of the Islamic people. The Faith till alive, millions of Moslems still observe the daily calls prayer, fast in the month of Ramadan and make once their life the pilgrimage to Mecca, and even to Turks, converts to Islam as the Russians were to Christianity, re is still no God but Allah.

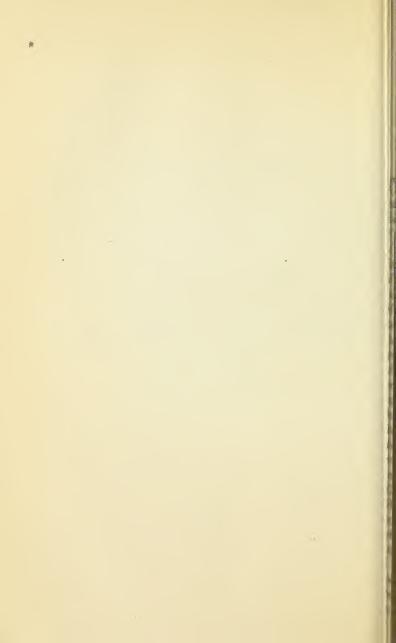
The vital test of an organism is its capacity to adapt If to its environment. The Islamic people have proved ir virility by adapting the political and economic apons of the West. They have ensured their survival by ing on the protective colouring of the Western world. a world of nation-states Islam has taken to nationalism. tere before the dominant antagonism was between slem and infidel, Sunni and Shi'ite, it is now between riot and foreigner. The repudiation of the foreigner been carried to strange lengths. Capitulations which had n tolerated since the first day of the Ottoman Empire gone, and the Englishman who in pre-war days was sona grata in most Moslem countries is to-day discredited distrusted more than any other infidel. The nationalism ich has meant less political tolerance has created a new rit of religious tolerance, Sunnis and Shi'ites work toher in Iraq, Sunnis and Zoroastrians in Persia, and Copts Moslems sit side by side in the Egyptian Cabinet. The tempo of adaptation has naturally varied according

The tempo of adaptation has naturally varied according the closeness of contact between the various countries I the West. Turkey is already a modern State, as much Westernized "as any of its European neighbours in the lkans. The Arabia of Ibn Saud, on the other hand, is I mediæval. The Arab tribes have to be cured of primitive bits of internecine strife and consciousness of unity pressed upon them by service of a common religious

creed through years of hardship and tribulations before they can be entrusted with the fleshpots of Egypt, let alor with the fire-arms of England.

We have said that the position of the Islamic wor to-day is like the position of Christendom at the Renai sance: it is splitting up into new states, some secular: spirit, some based on a Protestant revivalism, all lookii to the rational spirit of scientific discovery to ensure the survival. In Renaissance days wiseacres bemoaning tlapse from orthodoxy and introduction of pagan scien and literature, announced that Christendom was decader In modern times Mullahs make the same complaint agair Islam. Yet Christendom built up a new civilization aft the Renaissance and conquered half the world. It wou be absurd to push the parallel too far and to foresee the same future for Islam, but it is perhaps worth while emphasize that the absorption by Islamic peoples of: infidel culture (which is in its essence only the developme of the Arabic science and Greek philosophy absorbed l Renaissance Europe) is a sign not of decadence but adolescence.

PART FOUR THE FAR EAST



I: INDIA: TOWARDS SELF-GOVERNMENT

HE FAR EAST is a vague term but no more vague an the average Westerner's conception of those two great ilizations which it is used to cover. Isolated from the rest the world by the oceans, and the mountains and deserts Asia, India and China developed magnificent indigenous ilizations, distinct at first but later united by the spread Buddhism which formed a spiritual link between them d also with the countries of Indo-China and the islands the East Indies and of Japan. When at last modern ans of transport overcame the natural barriers of Asia e Far East became a happy hunting ground of traders m the West. First India was brought under the control a British trading company. Then China's rivers were netrated by the Western merchant. There were revolts ainst these foreign invasions but the Westerners had odern weapons: the Chinese revolt (1842) against the itish importation of opium was followed by a war which rced concessions of land and privileges from China, the dian Mutiny (1857) was followed by suppression and the clusion of India in the British Empire. Meanwhile Indonina and the East Indies had been partitioned by France, olland and Great Britain. Only Japan withstood economic nquest, and she saved herself by copying Western methods warfare and industry and by joining in the race for arkets on the mainland of Asia.

In the post-war period all the Far Eastern countries tween them they cover a third of the earth and include arly half of the world's population—have been swept by common movement. They have adopted the spirit of

Nationalism and have used it as a binding force to revive their own traditions and as a weapon of defence against the West. The period is one of Nationalist revolt. The process began before 1918 and was by no means complete in 1934. but it may perhaps be held that this has been the critical period. Our business is therefore to follow the course of Indian reform-movement, of the Chinese Revolution, o Japanese imperialist expansion and of the revolt of the Eas Indies.

First Principles. Lord Cromer once wrote of the British imperialist that "he is in truth always striving to attain two ideals, which are apt to be mutually destructive —the ideal of good government, which connotes the continuance of his supremacy, and the ideal of self-govern ment, which connotes the whole or partial abdication o his supreme position. Moreover, although after a dim slip-shod, but characteristically Anglo-Saxon fashion, he i aware that empire must rest on one of two bases—an ex tensive military occupation or the principle of nationalit —he cannot in all cases quite make up his mind which c the two bases he prefers."

In the case of India the British imperialist of pre-wa days took it for granted that good government was the idea By successive conquests and annexations he brought two thirds of the vast sub-continent under his rule, calling i British India and dividing it into fifteen provinces unde British Governors and British Councils, and holding together by means of a Governor-General and a Centra Council who were responsible to the Parliament at West minster. The remaining third consisted of Indian States nearly six hundred in all, many of them ruled by hereditar Indian princes but all of them under the indirect control of Great Britain. The rule of the British was benevolent and efficient and in that sense deserved the name of good gov ernment. The conquerors prided themselves on havin abolished flagrant abuses such as human sacrifices and th custom by which widows let themselves be burned alive or

e funeral pyres of their husbands; and on having given dia railways, roads and other material blessings of estern civilization. They complacently forgot that justice manded that Indians should eventually govern themves. The effort made by Indians in the Great War came a reminder. A million and a half Indians served Britain erseas and forty million pounds were contributed by dia to the expenses of the war which was being fought make the world safe for democracy. Indian politicians d no more than echo the words of Allied statesmen when ey claimed that India had the right to self-government. 1916 the Indian National Congress and the All-India oslem League held a combined meeting and adopted Home Rule for India" as their policy. The National berals (or Moderates) acquiesced in principle though vouring more gradual methods in practice. These three rties did not, of course, represent the masses, who were iterate and not politically conscious, but they were fairly presentative of the educated class. The Congress especially served to be considered as a National Party, for since its undation in 1885 it had steadily increased in influence d had won sympathisers in every quarter of India; ough originally a party of intellectuals it had found suporters outside the educated class and though originally a indu movement it had many members who were Moslems. The British Government could no longer ignore the ideal self-government. In 1917 Mr. Montagu, the Secretary of ate for India, announced that "The policy of His ajesty's Government, with which the Government of dia is in complete accord, is that of the increasing sociation of Indians in every branch of the administraon, and the gradual development of self-governing instituons with a view to the progressive realization of responsible vernment in India as an integral part of the British mpire. . . ."

In spite of this admission and the apparent agreement in inciple between English and Indian politicians, there was ore disturbance in India and more ill-feeling between the

two races during the years that followed than at any other time since the Mutiny. The reason for this is that India had been a conquered country for many generations, and conquest leaves its mark on the mentality of conquerors and conquered alike. The British had got into the habit of running the administration of India; it was unthinkable to them that Indians could manage their own affairs successfully. The Indians on the other hand had been kept in chains so long that they had developed all the characteristics of the slave's mentality—the habit of vindictive and destructive criticism divorced from any power of initiative or sense of responsibility. Whenever the British made up their minds to give Indians control over some branch of the administration, they kept a check on their conduct in the shape of some safeguard or other. And the Indians, enervated by generations of irresponsibility, either admin istered badly or refused to co-operate at all with the reforms.

The Reforms of 1919. The first instance of this came in 1919 when the Westminster Parliament passed a nev Government of India Act based on the report made by Mr. Montagu and Lord Chelmsford. The promise of "gradual development of self-governing institutions" wa fulfilled by allowing Indians in the Councils of the Province of British India to control certain "transferred" subjects namely agriculture, education, public health and publi works. The safeguard here was that finance was in the hand of the British Governor of the Province: the Indians wer allowed only a small amount to spend on the transferred subjects; if, for instance, they should want to launch campaign of primary education, for which the Britis administration had done virtually nothing, they would have to carry it out at the expense of agriculture and publi health. The British Governor and his officials kept control of all other branches of the provincial administration, from land revenue to police. This system of divided rule wa known as dyarchy. In the Central Government there wa

dyarchy; the central power remained with the British, bugh there was an Indian Legislative Assembly, with wer to debate and to vote but not to legislate. The orms only applied to British India; the Indian States—er a third of the country—remained under the more or s benevolent despotism of Indian Princes and their itish advisers.

The Montagu-Chelmsford Reforms were a disappointent to politically-minded Indians. The publication of the port was followed by minor outbreaks of terrorism, and e British, realizing that the experiment of dyarchy would l if any relaxation of law and order were allowed, passed measure known as the Rowlatt Bill empowering the lice to arrest and imprison suspects without warrant or al. The Indian National Congress was naturally incensed this tightening of the British screw and proclaimed a y of Hartal or cessation of work. It was intended to be a aceful protest but in some towns mob-fever got the better individual decency and there was rioting. In Amritsar the Punjab a large crowd assembled in the public square, d the civil authorities, frightened, called in the military disperse it. Then a serious mistake was made: the itish General, Dyer, ordered his men to fire, and 400 dians were killed and 1,200 wounded.

The news from Amritsar had much the same effect on dia as the Peterloo Massacre on England a hundred ars before. The rage and mortification of politically-inscious Indians was doubled when it became known that e House of Lords had "whitewashed" General Dyer, and at he had been presented with a purse of £26,000 raised public subscription.

andhi and Civil Disobedience. Perhaps the most serious sult of the Amritsar incident was that it convinced one dian patriot that British rule in India was an unmitigated il. All his life Mohandas Gandhi had been a supporter of reat Britain. As a very young man he had gone to London here he read law and became a Barrister of the Inner

Temple. He returned to India in 1891, at the age of twentytwo, with a deep respect for English character and institutions. From 1893 to 1914 he was in South Africa. He raised and commanded a Red Cross unit during the Boer War, organized an efficient hospital to deal with an outbreak of plague in Johannesburg, and was head of a corps of stretcher-bearers in the Zulu revolt of 1908. His chief work during those years was to secure recognition of the rights of Indian labour in South Africa. He was no ordinary agitator; he based his teaching on religious principles and conducted his campaign not by violence but by passive resist ance, or Satyagraha. The passive resistance movement ran for eight years and led to the removal of the unfair regulations against Indians. During the World War, Gandhi back in India, worked to raise recruits to fight for Great Britain.

He was recognized by his contemporaries as a Mahatma a great soul whose spiritual development entitled him to be a leader of men. The National Congress welcomed him a a leader and he taught them the deeper significance of their movement for self-government. Swaraj, or self-government said Gandhi, must begin with government of the self. Only when a man is free from jealousy, anger and resentment is he fit to concern himself with the government of his fellows. And to achieve political Swaraj there must be no violence or evasion of punishment; the only weapon used must be Satyagraha, which in Hindi means Soul-Force or the Force of Truth and which Englishmen have preferred to trans late as passive-resistance or, more commonly, as civil disobedience.

It was Gandhi who persuaded Congress to answe "Amritsar" by Satyagraha. At first he had been in favou of Indians co-operating with the British to work the Montagu-Chelmsford Reforms, but Amritsar convince him that British rule could bring no good to India. A campaign of Civil Disobedience was proclaimed urging Congressmen and others to boycott British schools and law courts, to ignore British institutions and to refuse to but

tish goods. Subsequent events proved that Indians did yet understand what Gandhi meant by Satyagraha. He ported the movement amongst Moslems to protest inst the Allies' treatment of their Caliph in the projected caty of Sèvres; but the Indian Caliphate Movement led a terrible rising of Moslems against the Hindus in Malain the course of which 3,000 Moslems were killed. The t campaign of civil disobedience failed. To Gandhi the ure meant that he himself had not attained spiritual city; he retired from politics for six years—for two years 22–24) he was in prison, for the rest his activities did not ng him into conflict with the Administration.

From the British point of view Satyagraha was merely a m of rebellion, preferable perhaps to open rioting but re difficult to deal with. There was no way of forcing lians to buy British goods. When arrested for civil obedience Nationalists offered no resistance; they went ekly to prison. The jails in 1922 were full of political soners. Gradually it was borne in upon the British that ew force was at work among the Indians. To Indians and is meant more than non-violent rebellion: it ant a revival of their own Hindu culture which had been ped by centuries of conquest. The Mahatma taught the on of self-mastery as a way to at-one-ment with God, lesson which Hindu gurus had always taught but which I never before been brought within the comprehension the masses.

e Congress Programme. Several years were to pass ore the constitutional question came forward again. anwhile Congress was active in what may be called the astructive side of its programme. This included five dinal points. The first was the revival of hand-spinning I hand-weaving in the villages. In the days before the tish conquest India had spun her own yarn and woven rown cloth. Under the British cotton was exported to neashire and sent back as finished cloth. This meant rvation for hundreds of thousands of natives. "The

misery hardly finds a parallel in the history of commerce. wrote the Governor-General in 1834, "The bones of the cotton workers are bleaching the plains of India." Gandh preached the revival of the village cloth-making handi craft: "It alone," he said, "offers an immediate, practica and permanent solution of that problem of problems tha confronts India, viz., the enforced idleness for nearly si months in the year of an overwhelming proportion c India's population, owing to the lack of a suitable supple mentary occupation to agriculture, and the chronic starva tion of the masses that results therefrom." The spinning two thousand yards of yarn was made an alternative to the payment of four annas as the entrance fee to the Congress Party, and all Congressmen were urged to wear nothin but home-made cloth. The making of this Khaddar was t be the basis of the revitalization of village life. There ar over half a million villages in India and in them three quarters of the population live, huddled in mud-huts an scraping from the land a bare subsistence and sometime a tiny surplus to pay the interest on the debts which ever man owes to the money-lender, and the land-tax and the rents to the British-protected landlord. The Congress Part did not solve the "problem of problems" but it did mak a beginning; by 1933 the All-India Spinners' Association organized by Gandhi, had started 7,000 villages on the production of cloth, thus supporting 200,000 spinners an 5,000 weavers. More important than these figures is the fa that the villages were beginning to assume a corpora responsibility for their own welfare.

The second point in the constructive programme Congress also combined the moral betterment of the peop with economic revival. All drug-taking and alcohodrinking was forbidden. This amounted to a British bo cott, for spirits were imported largely by British merchan

and opium was a government monopoly.

The third point was the policy of an equal moral stadard for men and women. Gandhi set his face against the whole Eastern system of *Purdah*, or the seclusion of women

nst prostitution and against the Hindu custom of

d-marriage.1

ourthly, Congress stood for unity between Hindus and slems. There are in India 239 million Hindus and 77 ion Moslems, not isolated in different parts of the ntry but living side by side. Clashes between the two e been a chronic feature of Indian life. British rule has e a great deal to prevent bloodshed but little to promote erstanding between the communities. A successful ve for mutual understanding can obviously come only n Indians themselves. In advocating Hindu-Moslem by Congress did not solve the problem, for Congress predominantly Hindu, and Moslems persisted in fearthat the democratic constitution which Congress pured would lead to the oppression of the Moslem tority.

inally, Gandhi persuaded Congress to adopt as its cy the removal of "Untouchability." The social basis Hinduism is the caste system. Every Hindu is born into aste and there he remains until his death, not marrying side it. There are over two thousand castes and subes. At the head are the Brahmans, who are priests, Ksatiya, who are warriors and professional men, and the shya, the traders and agriculturalists (Gandhi, by the v, is a member of this third caste). Below them are the Iras, or non-noble castes. And below them again are outcaste Hindus, 60 million in all. These are the ntouchables"; a caste-Hindu feels that he is polluted e touches food that has been prepared or water that has n drawn by an outcaste, or even if the shadow of an caste falls on him. The "untouchables" are barred m the temples and from the drinking wells of the villages. thodox Hinduism holds that men who have sinned inst God in some previous existence are re-born as castes and must expiate their sin in a life of misery. ndhi, though he accepted the caste system as the basis

Vide Katherine Mayo's Mother India, a book which Gandhi said y Indian and no European should read. of Hindu society, set his face against tradition on this poir and taught that every human being is sacred and no sing person must ever be treated as unclean.

With these last three points in the Congress programn the British were of course in agreement. No one deplore the status of women in India or the Hindu-Moslem rivals or the abuse of "untouchability" more than the Britis and no one was more anxious to alleviate them. But the abuses were part of the religious system of the country arsince the Mutiny Great Britain had been extremely chary interfering with religious customs. Besides it is nature that Indians should have refused to follow a foreigner's lead in the reform of their own religion.

The Simon Commission. Meanwhile the new Constitution of India had been launched in a stormy sea. At first the only party capable of forming a strong opposition refusto co-operate in giving dyarchy a trial—Congress took part in the elections of 1920. But after the failure of civ disobedience an influential group of Congressmen head by C. R. Das and Pandit Motilal Nehru formed a ground called the Swarajists and won a large number of seats the Legislatures in the 1923 elections. Their participation achieved nothing except the public ventilation of t weakness of dyarchy. British control of finance was t chief grievance. How, it was asked, could Indian Councille be expected to do anything for agriculture in the province when the allocation of money for that purpose was or 2.6 per cent of the total budget? A storm broke in 1926when the Government decided to stabilize the curren which had been off the Gold Standard since the war. It w officially proposed to fix the rupee at 1s. 6d. instead of at former value of 1s. 4d. One effect of this would be to he foreign importers by giving them a higher money-retu for their goods and to handicap the Indian exporters forcing up the price of their products. It would mean t "Death warrants of millions of Indian agriculturist said the Congress spokesmen, melodramatically. And t

ian merchants of Bombay and the industrialists of nedabad agreed. The Government succeeded in passing sill, but it had a glimpse of a formidable opposition, the ed interests of native industry in union with the popular gress movement.

he British Government now saw that the time had come further reforms in the Indian Constitution. The question: What reforms? It was decided that a Commission ald be sent to India immediately to report to Partient on the working of the Reforms of 1919 and to gest improvements.

he Commission was condemned to failure from the ment its membership was announced. It consisted seven British M.P.s, under the Chairmanship of Sir n Simon. Not a single Indian was included. By all ions of Indian opinion this was taken as an insult. The ish Government hastened to explain: of course they ild like to have included Indians in the Commission, but y wanted a unanimous and impartial Report. Indians e either Moslems or Hindus; a Commission which uded members of one religion only could not be partial; if it included members of both it could not be nimous.

his did not convince Indian opinion: there was an ian in the House of Lords, an Indian had represented ia at the Imperial Conference, Indians had sat on vious Commissions. The Simon Commission was sidered an insult. The Congress and the Liberal leration combined in boycotting its members. Extreme Imoderate wings of Indian Nationalism were in no mood wait until the Englishmen had published their Report I until the Westminster Parliament (which devoted on an rage no more than forty-eight hours a year to Indian tters) chose to draw up a revised Constitution. In tober 1929 the Viceroy, Lord Irwin, did something to by distrust by announcing: "I am authorized on behalf His Majesty's Government to state clearly that in their gement it is implicit in the Declaration of 1917 that the

natural issue of India's constitutional progress, as the contemplated, is the attainment of Dominion Status." Hadded that after the publication of the Simon Commission Report, a Round Table Conference would be called, whe "the Government would meet representatives of Britis India and of the Indian States to discuss the form of the ne Constitution to be submitted to Parliament."

Congress was not to be placated by the distant prospe of concessions. Gandhi and Pandit Motilal Nehru told the Viceroy that Congress could take no part in the Conferent unless Dominion Status were granted immediately. This course was outside the Viceroy's power. Congress met at passed a series of startling resolutions: they declared the aim to be complete self-government (Purna Swaraj), not mere Dominion Status; they ordered their members take no further part in provincial or central legislatives; at they authorized their Working Committee to proclait Civil Disobedience again whenever circumstances show warrant it. From now on it was to be "war" between the Nationalists and the Administration.

On March 1, 1930, Gandhi wrote to the Viceroy. "I he British rule to be a curse," he said, adding that he intend "no harm to a single Englishman or any legitimate inter which he may have in India." The Nationalists demand inter alia total Prohibition, reduction of the rupee rafrom 1s. 6d. to 1s. 4d., reduction of the income tax by h and the abolition of the salt tax. If these terms were raccepted within ten days, Gandhi would call on I followers to renew Satyagraha: "Having an unquestional and immovable faith in the efficacy of non-violence it would be sinful on my part to wait longer."

On April 6, Gandhi began the campaign of Civil Disbedience. He marched from Ahmedabad to Dandi a there scooped up a handful of salt, thus breaking the limbility which forbade Indians to "manufacture" salt. He could be well to choose this particular law as a symbol of Brit oppression, for the tax, which yielded an annual reven of £5 million, weighed on the poorest members of the

nunities. The Civil Disobedience which followed was n more general and more serious in its results than the ement of ten years previously. Gandhi was known and red all over India. Millions joined in the boycott of gn goods, particularly of cloth, in picketing the spirit s, in refusing to pay taxation. In the first two months of novement over 4,000 people went to jail; by the end of , 54,000 had been convicted for Civil Disobedience. Administration were in a quandary. When Congressforgot their orders and their principles and resorted to nce, the task of the police was simple: lathi charges, et and conviction were easy and obviously justified. it was demoralizing work to arrest non-violent nonperators, particularly when so many of them were en. The "War" was costly, too; the budget of the an Government showed a deficit of £10,875,000 for the 1930-31; Indian exports to Great Britain dropped by per cent, and foreign imports into Bombay by 17.1 per . Civil Disobedience showed no sign of abating though dhi and Pandit Motilal Nehru were in prison.

eanwhile the Simon Commission's Report had been ished. It was a well-written, well-intentioned document the was widely read in Great Britain and aroused British ion to a more active interest in Indian affairs, but it ed no part in Indian history for it was not made the for discussion by the Round Table Conference which in London in November 1930. Congress was unrepred at the Round Table and the various delegates for sh India and the Indian States, chosen as they were by British, could not be said to be representative of an opinion. They proved quite unequal to the formidtask of Constitution-making and when they adjourned be following January nothing had been decided.

I Irwin's Viceroyalty. An important step towards was now taken by the Viceroy. Since he had gone to a in 1926 Lord Irwin had shown himself more capable any Viceroy in the past of understanding the Indian

mentality. "If there are Indians who really desire to India leave the Empire, to get rid of English officers a English commerce," the Montagu-Chelmsford Report h remarked, "we believe that among their springs of acti will be found the bitterness of feeling that has been nurtur out of some manifestation that the Englishman does r think that the Indian is his equal." There was no trace that feeling in Lord Irwin. He won the goodwill of t people he governed, not only by frankness and fairness h by a deep sympathy. Indians were surprised to recogn in the Viceroy a man of religious convictions as deep their own, a man who would stop the Viceregal train hear Mass on a Sunday morning and who amid t splendours of the Viceregal Court observed scrupulou and unostentatiously the fasts and precepts of his Churc Here at last was a Viceroy whom Moslems and Hind could understand. In particular he was a man who cou respect and be respected by the most popular Indi leader, the Mahatma Gandhi. In February 1931 Gand liberated from prison, held a series of conversations w Lord Irwin. The two men understood each other and fre their talks a settlement emerged: Gandhi agreed to st Civil Disobedience and to induce Congress to co-operate future discussions of political reform, and the Vices promised that people resident in salt areas should allowed to make salt undisturbed and that there should no more prosecution of prisoners arrested for non-viol sedition.

After the Irwin-Gandhi Pact the scene of the Ind drama shifted to London where the second session of Round Table Conference sat throughout the autumn 1931. Gandhi attended this time, as a delegate of National Congress, but he must have regretted hav come. As one among scores of Indian members his vicarried no weight, and in the cold light of London passed for an unpractical idealist whose policy had correspondence with reality. The Conference was no pl for a prophet; the delegates were battling with the h

lem of hammering out a federal constitution for a try twenty times as large and twenty times as heteroous as Great Britain. The more the great clefts in an society were discussed the wider they appeared: ems distrusted the Hindus, the caste Hindus distrusted outcastes, and the Princes distrusted the politicians of the India. When the session ended at Christmas no ement had been reached.

e Rule and White Paper. Gandhi returned to India nd that the truce had been broken by both sides. Lord n had been succeeded by Lord Willingdon, who had mpathy with Nationalism. In a farewell speech Lord had said: "In so far as the present movement ines any of the forces that we call Nationalism, I would at what I have said more than once, that an attempt eet the case with rigid and unvielding opposition is ly to repeat the unintelligent mistake of King Canute." Willingdon was both rigid and unvielding. He issued ies of Ordinances which gave the police in Bengal and here summary powers to deal with sedition. There is enying there was every excuse for this breach of the . The Indian peasantry had begun to feel the pinch of world economic crisis, and agrarian revolt had broken n the United Provinces and the Punjab. In some parts rism began to appear side by side with non-violent disobedience. Several British officials were murdered an attempt was made on the life of the Governor of al. Away on the North-West frontier a new movement arisen, the Moslem Pathans had found a leader in ul Ghaffar Khan who was organizing an army which alled the Servants of God—and which were generally on as the Red Shirts. He insisted that he was a Congressand intended to keep to the rule of non-violence. The sh had never heard of a non-violent Pathan and were inced that this was merely a cloak for a militant onalist movement; they began to break up the movet by force. To Gandhi, who knew little of the peculiar

conditions which make the North-West frontier differen from any other part of India, this seemed a flagraviolation of his agreement with Lord Irwin.

It is possible that an understanding might have bee reached if Lord Willingdon had consented to Gandhi request for an interview. The new Viceroy preferred to p Gandhi in prison. British opinion endorsed his action. cartoon appeared in Punch showing the Mahatma in h cell and Lord Willingdon playing with the prison keys ar murmuring with satisfaction, "Now we shall hear the re voice of India."

The police were given power to arrest on suspicion, commandeer buildings and transport, to intercept train letters, telephone messages and telegrams, to treat as criminal offence any attempt at molestation or boycotting The aim of the Government in setting up what amount to police rule was to maintain law and order and to cru the Nationalist movement. In the first it succeeded, but a terrible price: lathi charges by the police became t order of the day all over India (there were 2,638 peor injured in lathi charges in Gujerat alone during the fi eight months of 1932) and in the North-West Province ru by Ordinance involved the burning of houses, looting crops, blockading of villages and beating of villagers by t police. In the second it failed completely. All National organizations were declared illegal (including not or Congress but Nationalist Moslems, the National Christi Party, the Anti-Untouchability Committees, Prohibiti Committees and many other organizations); Congr meetings were broken up, its publications banned, its fun confiscated and all known Congress workers imprison The result was that Nationalists acquired the dignity martyrs and Nationalism flourished under persecution. I veteran Moderate leader, Sir Tej Bahadur Sapru refleci public opinion fairly when he said "the amount of c satisfaction with the Government, the amount of disconte the amount of bitterness in India in nearly every home greater than at any time within my experience."

Vhile the British Administration in India was engaged his wholesale repression of Nationalism in India, the ish Government in Westminster was making an attempt ive India political freedom. A third session of the Round ole Conference was held and the Government issued a ite Paper embodying its suggestions for a new Indian stitution. The White Paper involved several great s forward from the reforms of 1919. For example: new India was to be a Federation of British India and Indian States; Indians in the Provinces of British ia were to have self-government, instead of merely the trol of a few transferred subjects; elections to the islatures were to be by a majority of the population; the Central Government was to be responsible not to stminster but to the Indian Legislative Assembly ject to certain safeguards.

he White Paper was an honest effort on the part of at Britain to confer upon India the blessings of democy. Future historians will note, however, that it was ted with that conqueror-mentality which had long ated British relations with Asiatic peoples. It was an ampt to make in England a Constitution for India, not ecognition that Indians had the right to elect a Constint Assembly to draw up their own form of government; it did not give Indian responsible government, for one he safeguards was the power of the purse which remained British hands—the White Paper allowed the Indian ance Minister control of only 20 per cent of his budget, rest being reserved for the British to spend on Army Civil Service.

ian Industries. Our period began with the promise elf-government for India; it ends with that promise a ge nearer to fulfilment. But in all this talk of who-shall-whom we tend to forget that the basic problem for ia is an economic one. India's villages still live perilously r the starvation point; it is estimated that 40 millions her people have no more than one meal a day, and it is

known that the average longevity of man in India is le than twenty-five years. A century and a half of British ru has not helped the villagers much. A decade and a half constitutional progress has not helped them at all. The reforms of 1919 left agriculture as a transferred subject the Indians in the Provincial Governments, but there w no money, no co-ordination between provinces; nothing was done. The first task of the new Government of Ind should be to plan the economy of the sub-continent as whole so that the hungry millions can be fed. This w mean the modernization of agriculture and the develo ment of industry. There is no denying that there has be a great development of industry in India, helped by wa contracts, the post-war boom and the protective tarif The trouble is that this development has been in the intere of the British and Indian industrialists and not in t interest of the population as a whole. If Indian indust has expanded, it has been at the expense of the labour Anglo-Saxon readers have no need to be told how the labo of the Lascars, the 140 thousand Indian maritime workers India, has been exploited, but it is well for them to reminded of the conditions in Indian factories: in Amrit the majority of the workers in the carpet-factories a children under fourteen, working an eleven-hour day for wage of $2\frac{1}{2}d$., in the Indian tanning industry wages average under 5d. a day, and in the slums of Bombay the industr workers live six and more in a room, and 660 infants in thousand die in their first year.1

From 1918 to 1934 the Indian revolution—and no oth name can be given to the National Congress Movemen was a middle-class movement. Under the inspiration Gandhi it developed a new technique of resistance in t form of non-violent Disobedience. Civil Disobedier failed, and its failure did not mean the end of the revo tion but that leadership would pass from the apostles non-violence to the leaders of the labouring class, as

¹ Vide Report of the Royal Commission on Labour in India (H Stationery Office, 1931, Cmd. 3883).

sia it passed from the Tolstoians and the reformists to proletariat.

here is every prospect that under a planned economy ry class in India could be prosperous. All the conditions great industrial achievement exist. There is abundant bur, vast sources of power in coal and rivers, and a e population offering a market at the very door of the ories. There is plenty of raw material: India produces world-supply of jute, more short-staple cotton than any er country and the cheapest pig-iron in the world; she has an enormous surplus of tea and of rice and of eeds for export. India may have ceased to need British o in politics and administration but she has a greater than ever before for British help for her economic val; Great Britain has already invested some thousand ion pounds in India, India will need many millions re; Great Britain still needs much of the food and raw erial which India needs to sell. A crisis will not be long coming if economic planning is postponed: "Unless ia can provide in the coming years a wholly unpreceted industrial development," said Sir Alfred Watson in 3, "the level of subsistence of the country, which is appallingly low, will fall below the starvation point." I if that is to happen India will know something of the ent revolution and of the war, pestilence and famine ch have darkened the history of her Chinese neighbour ing these post-war years.

II: THE CHINESE REVOLUTION

THE CHINESE representatives at the Paris Peace Cofference knew exactly what they wanted. President Wilsthad put their wishes into words in his Fourteen Point "The removal, as far as possible, of all economic barrie and the establishment of an equality of trade conditions. a free, open-minded and absolutely impartial adjustment of all colonial claims . . . in the interests of the population concerned." China, in short, wanted freedom from foreign control—economic and political freedom.

It was a large order. For over half a century the dustrialized nations had been "developing" China as outlet for their manufactured goods and as a source raw materials; the French had seized Annam in t south, the Germans Kiaochou in the north, Russia a Japan had fought a war over China's three Eastern Pi vinces (or Manchuria), a war which resulted in Japa seizing Korea and establishing control of the econon resources of South Manchuria while Russia retained cont over the Chinese Eastern Railway which runs throu North Manchuria to Vladivostock. The best position of was won by Great Britain. The population and trade China is concentrated on three great rivers, the Si Kiai the Yangtse Kiang and the Yellow River. By winning island of Hong Kong from China, Britain had retain control of the trade of Canton and the southern rive by winning Concessions or the right to build fortified quart in Chinese ports she retained the lion's share of the hu trade of Shanghai and the Yangtse. The possession Shantung—a province with a population of forty mill —gave Germany control over the Yellow River, but Brita

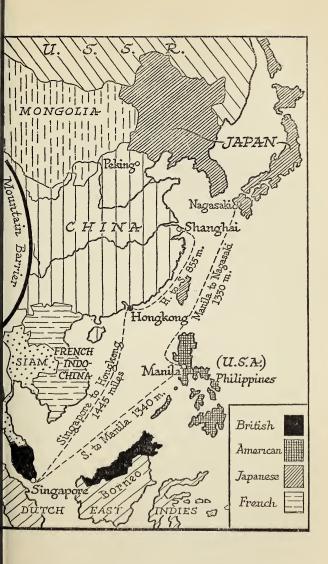
one port in Shantung and helped Japan to check man and Russian influence in the north by making an lo-Japanese Alliance which lasted from 1902 to 1922. hese foreign privileges in China were secured by treaties were therefore legally justified. Whether they were ally justified is another matter. The treaties had been ed on China at the point of the bayonet (the first was ed in 1842 after Great Britain had made war on China orce the Emperor to allow British merchants to sell m to the Chinese). They had been followed by limitas of China's sovereignty which none of the signatories contemplated at the time. "No fair-minded person," es a correspondent of the Manchester Guardian, 1 " can that the policy of (the foreigners in) Shanghai has a consistent policy of encroachments on Chinese s. No signatory to the agreement that gave foreigners right to live on the land that is now the Settlement fined that they would eventually form there a practicindependent plutocratic republic, containing within what is, to all intents and purposes, the vital organ of a's financial and commercial system. If we follow the ry of China's foreign relations from 1842 to 1914 we eive that it has been the history of the gradual loss of pendence, the falling under foreign control of one another properly Chinese activity. China's customs s were limited by the foreigner to the advantage of foreign manufacturer. The limited revenue thus obed came to have as a first charge upon it the payment terest on loans which to a large extent had been made ssary by foreign aggression. Communication by water to be largely by foreign vessels. Railways were built largely maintained under foreign control. The approval e foreign diplomatic body in Peking came to be necesfor the expenditure of money, on which there was no gn claim, for purposes of domestic interest to China. ign bankers increasingly profited by the turnover of pese money, and so obtained a position of overwhelming

¹ Arthur Ransome in The Chinese Puzzle.

strength against any Chinese competitors." These encroace ments were doubly resented because of the contemptuous attitude adopted by foreigners toward the Chinese who two-thousand-year-old civilization ("superior to ours according to Bertrand Russell," in all that makes for huma happiness") they were unable to appreciate. They pesisted in treating the Chinese as inferiors, not fit to linvited as guests to foreign clubs or to be allowed to wa in the parks and river embankments which the foreigne had constructed, partly with Chinese money.

The Chinese delegates at Paris demanded the revision of the Treaties which had given the foreigner this stranghold upon China, and the restoration of the Province Shantung. It is not surprising that the Allies held that "the had no power to deal with these claims" at the Pea Conference. After all, China had not declared war again the Central Powers until August 1917 and had taken real part in the hostilities. So Japan was given Shantu and a mandate of Germany's Pacific islands lying north the Equator. The Chinese delegates went empty away. They refused to sign the Versailles Treaty and gain nothing but a seat on the League of Nations.

The Three Principles of Dr. Sun Yat-Sen. China is powerless to avenge the insult, as powerless as she had be to avenge earlier attempts at partition and exploitation. It had in fact no Government. From 1644 to 1911 the Mand dynasty ruled China. Then, because the Manchus I refused reform and had proved incapable or unwilling resist foreign incursions, Young China had deposed Emperor and declared a Republic. The leader of revolution, Dr. Sun Yat-Sen, wanted to make China independent nation; he had set himself a superhuman to greater even than that which the Bolsheviks had und taken in Russia. China is a country as large as all Eurand more populous: it could not be unified in a day or decade. After the revolution of 1911 the power fell to official of the Manchus, and when he died in 1916



military governors whom he had set over the province became independent war-lords. At Peking, the northed capital, there was a nominal Government, but it will ridiculous in its subservience to the war-lords who levied to on its Treasury at will; and at Canton in the south wanother Government, that of Dr. Sun's Nationalist Parthe Kuomintang. The Chinese delegation to Paris will composed of representatives of both Northern and Souther Governments; it was the only enterprise in which the trusted delegation to operating.

The Japanese triumph at Paris led to a swing of Chin opinion round to the Kuomintang. During the war Japu had forced the impotent ministers at Peking to accept treaty known as the Twenty-One Demands which aim at making China an economic province of Japan. T Kuomintang was the only organization which could re-Japan's claims. In a famous speech of March 1921 Dr. St explained the Three Principles which were the programme his party. The first principle was Nationalism: an end v to be made of foreign concessions, treaty-ports, spheres influence and the like, and China was to be ruled by Chinese—in conjunction with the four racial minorities Manchus, Mongolians, Tartars and Tibetans. The seco was Democracy, a principle which involved the right of people to elect members to a Legislative Assembly, to retheir member when he ceased to represent their wishes vote directly on certain matters of principle through instrument of the referendum, and to take on occasion initiative in legislation by public petitions to the Asseml Executive power in the democratic republic would exercised by ministers responsible to the Assembly. For third principle of Dr. Sun there is no English word; perh Social Justice or the Livelihood of the People convey implications most clearly. Dr. Sun meant by it that wealth of the country was to be redistributed so as to ens a decent living for every Chinese family.

It is difficult to imagine the immensity of the obstacle the path of this programme. The spirit of National ply did not exist; there was no provincial patriotism, less any national patriotism in the Western sense. China's loyalty was to the family. The Chinese family us very much more than the corresponding Western itution. To quote Madame Sofia H. Chen Zen:

"In the first place, a Chinese family is much more like state in miniature than a home in the Western sense, nd the supreme ruler of this state is either the patriarch the matriarch with a bureaucracy of sons and aughters, as well as some daughters-in-law, and with bjects of minor daughters-in-law, grand-children and ependent relatives to the nth degree. It is a government ith all the paraphernalia of all other state governments, ich as intrigue, diplomacy, treason and so forth. And no oman who is not a born or a trained politician may hope find a decent place in such a government, no matter ow well educated and honourable she may be. For the hinese home is a machine, a system, in which the dividual members are only like the nails and screws of a ig engine; they exist not for their own sake, but for the ke of the bigger whole.

"In the second place, a Chinese family is an institution herein the religious sentiment of the people is most dequately expressed. For the family is the living shrine the dead, whose memory is perpetuated through the tual of ancestor worship which is the supreme spiritual

unction of the family. . . .

"In the third place, what constitutes the spirit of a chinese family is not the love between a man and his ife, but the moral obligation of all the members towards ne another. Sexual love does have a place in the Chinese mily, but certainly by no means a prominent one; it is abordinated to the moral duties between the son and arents, between sisters and brothers and so on, so that then a conflict arises between a man's duty as a son or a rother and his love for his wife, it is always the latter that aust be sacrificed."

Even if the institution of the family could be modifito make room for a larger loyalty to the nation the ideal Nationalism would still be unrealizable unless the impealist powers would consent to a revision of their who position in China.

In the way of the principle of Democracy also the who structure of Chinese society lay. Democracy involv literacy: ninety-nine Chinese out of a hundred could r read and most of these could never learn to read, for there a four thousand characters in the Chinese script and the ta of memorizing them is beyond the powers of the majori Besides, the principle of Democracy implied the equality the sexes: "Legally, politically, economically, educationa and socially, women are to be the equals of men." Yet China female infants were still being strangled at bir Girls' feet were bound, to make them ladies. They we betrothed in infancy and married to husbands they he never seen. Poor parents often sold their daughters domestic servants or concubines. In every case the became the property of her employer, paramour or h band, who might sell her again or divorce her at will.

The third principle, that of the Livelihood of the People, could not be attained without a wholesale economic revolution. Eighty per cent of the people of China was farmers; working a total area that is smaller than the improved farm-lands of the United States, they perform the miracle of feeding the 400,000,000 people of China.

There was not always a miracle. In good years, unremitting labour with hoe, bamboo rake and wat wheel, the Chinese farmer could scrape a bare living for family and perhaps a tiny surplus to sell at the market; lin bad years, in seasons of drought or heavy rain, starved. It was not unusual for millions of peasants, for third of the population of a province, to be wiped out is single year. The survivors blamed the weather. Sun Y Sen blamed the system under which the peasants work The farm-land was divided into tiny patches separately paths, each farmer holding from five to forty stri

ered in various parts of the field and often more than a apart. The system of irrigation, a complicated netof canals and embankments, had been begun over thousand years ago. Once there was a local court to rce the responsibility of each peasant for his share of upkeep of the water-works. In the twentieth century was none. Every man worked for his family, with no of communal responsibility, no co-operation for keting or hiring capital. In consequence every man in debt to the money-lender and every other man the peasants owned their own farms) in debt to the lord. Such were a few of the difficulties in the way of Sun's Third Principle. The Kuomintang intended to re the Livelihood of the People by modernizing the ods of Chinese agriculture. The peasant was to be ected by legislation reducing rent and interest rates, cultural banks were to be set up to lend him capital, and vas to be taught the advantages of co-operation and raded to exchange his scattered strips for a consolidated ing; in exchange for scanty manure and wooden rake as to be given scientific fertilizers and modern mach-

dustry in China was still in the handicraft stage. Manuscre by modern machinery under the factory system was sown except in the coastal regions, and there it was run and for, foreigners. The policy of Sun Yat-Sen was to I up modern industries under Chinese control by cting foreign loans, raised not by private capitalists but the Government which, if only it were based on popular ort, need give no concessions or securities for their yment. "Chinese aspirations can only be realized," Dr. Sun, expounding his Third Principle, "when we erstand that, to regenerate the state, we must welcome influx of foreign capital on the largest possible scale, must also attract foreign scientists and trained experts. It, in the course of a few years, we shall develop our large-scale industry and shall accumulate technical and attific knowledge."

Russian Help for the Kuomintang. The Three Principl were so obviously based on Western models that Sun Ya Sen naturally expected that the Western Powers would he him to carry them out. In 1921 he appealed to America f help, but America refused. He appealed to Great Brita and Japan, but Great Britain preferred to back the wa lord Wu Pei-Fu who held the Yangtse Valley and Japa put her money on Chang Tso-Lin, the war-lord of Ma churia. So the only hope for the Kuomintang was to tu to Soviet Russia. In the years of his exile in Europe Dr. St had met many of the men who were now ruling Russ and he knew that the Chinese and Russian revolutions he much in common; both were fighting against the exploit tions of modern imperialist-capitalism and the injusti and inefficiency of their age-old social structure. Sun-Ya Sen agreed with Lenin that a revolution must take the stages. First a military period when the old order will overthrown and the revolutionists established in power violence; during this period martial law must prevail a the people must be the instruments rather than the asso ates of the revolutionary leaders. Second, a period political tutelage devoted to the training of the people the rights and duties of citizenship, to the training of t leaders in the science of administration and the art statesmanship; during this period the government m continue to be in the hands of the revolutionary par Thirdly a period of democracy, when the party would sign its privileges and the people would exercise the rig necessary for the maintenance of their sovereignty. Let differed from Sun over the nature of this third phase revolution but was prepared to waive that for the time. T immediate point was that the Kuomintang failed to acco plish the first phase of revolution because they lack military organization and the Bolsheviks were succeed because they had it; the Kuomintang had lost cont after 1911 because the armed forces were in the hands their opponents, and now in 1921 they were still powerle So Dr. Sun welcomed Lenin's secretary, Mahlin, at Cant

they discussed the possibility of Communist support he Kuomintang. The discussions bore fruit two years when Adolf Joffe, the most able of Soviet diplomats, d a joint declaration with Dr. Sun: "Dr. Sun Yat-Sen s that the Communistic order or even the Soviet em cannot actually be introduced into China, because e do not exist here the conditions for the successful plishment of either Communism or Sovietism. The view tirely shared by Mr. Joffe, who is further of the opinion China's paramount and most pressing problem is to eve unification and attain full national independence, regarding this great task he has assured Dr. Sun Yatthat China has the warmest sympathy of the Russian le and can count on the support of Russia." At this the Soviets had not a friend in the world and were of an ally in the East even if he was so chary of Comism as Dr. Sun Yat-Sen.

1924 the reorganization of the Kuomintang as a ant party began. The moving spirit in this was Michael din, a Soviet agent who had represented Russia at al's court during the Græco-Turkish War and who even tried to propagate Communism in Scotland (an npt which had ended in his deportation). Borodin me a close friend of Sun. He convinced the doctor that party had failed first because it had no support outside university and merchant class and secondly because it ed discipline. To remedy the first defect the ranks of party were opened to peasants and town-workers. To dy the second it was laid down that though every subwas open to discussion until a decision on it was made he party executive, once that decision was made it be accepted without further question by every memof the party. The Kuomintang was reorganized on the el of the Russian Communist Party. Local branches or elected members to a Provincial Assembly, who ted members to a Party Assembly from which was en the Central Executive of the Kuomintang.

ne National Party had now an efficient organization.

The next step was to give it an army. Borodin set up Military College at Whampoa for the training of Chint officers. The instructors, forty in all, were Russian office chief of whom was a certain General Galens (alias Blücher and the Principal was a young Chinese, by name Chiac Kai-Shek, of whom we are to hear more. With Russiadvice and ammunition the officers turned out by the Whampoa College trained a Kuomintang Army which wable to establish order throughout the province of Kwatung, the capital of which is Canton.

By no means all the members of the Kuomintang we pleased with what the Russians were doing for the para Borodin was obviously in favour of making it a people party based on the support of the peasants and of the Catonese workers whom he had organised into trade union many influential members of the party were on the oth hand merchants and middlemen who were more interest in putting trade with the foreigner on a fair basis than it proletarian revolution. The cleft in the party was apparant the beginning of 1925 but it was healed for a time by tragedy which affected every member of the Kuominta alike.

In March Sun Yat-Sen died of cancer. Ever since early years as a medical student in Hong Kong he h worked for the liberation of China. As early as 1895 he v in exile, building up a Chinese Revolutionary League Japan, in Honolulu, in Europe. There was a price on head and often he narrowly escaped death (on one casion he was kidnapped in Piccadilly and imprisoned the Chinese Imperial Legation). Since 1911 he had b undisputed leader of the Chinese Revolution. His death followed by a mourning as deep as that which had follow Lenin's death in Russia a year ago. The mausoleum wh his remains lie at Nanking has become, like Lenin's to in Moscow, a place of national pilgrimage, and his wo like Lenin's, have become a text for the party which founded. It became the custom to bow to Dr. Sun's I trait which hangs in every school and every public building

every official ceremony opens with the reading of his 1: "For forty years I have devoted my energies to the se of the Nationalist Revolution. The object of the latter seek a position of independent equality for China. The erience of forty years has caused me to realize that, if desired to achieve the object, the people is to be aroused, we must strive in unison with all those nations of the ld who deal with us on a basis of equality. The revoluhas not yet achieved its object. All those who are of same purpose as myself must therefore act in accorde with the precepts of my three books: A Method of ablishing a Nation, A General Plan for the Reconstruction of the ional Government, and The Three People's Principles, and the announcement made on the occasion of the First tional Representatives' Conference, and must continue use every effort to attain the first two ideals of holding people's conference and of abolishing all unequal ties. It is essential that this should be brought ut in the shortest possible time. My last Will and tament."

e War-Lords of North China. Dr. Sun died at Peking, le attempting to win certain war-lords to the Nationalist gramme. The Northern provinces were under the autotic control of a dozen or so military governors, three of om were waging an unending civil war for the control the moribund Peking Government. Three more extrainary characters can hardly be imagined. The most verful in the years 1918–1922 was Chang Tso-Lin, the er of Manchuria. He was a mild-faced little man who nt his life in warfare. Without any education but that uired in what he called the "School of Forestry," he t came into prominence as the leader of a troop of bans, known as the Red Beards. During the Russo-Japanese r of 1904 he and his men helped the Japanese, and ugh he later became a servant of the Chinese Governnt he was always in receipt of assistance from Japan, o had her own reasons for wishing to be on the right side

of the strong man of Manchuria. At Mukden, his capital which incidentally was in the territory leased to the Japanese-owned South Manchurian Railway Company he had an arsenal capable of supplying him with all the munitions he could pay for. Money was usually raised by raids on the Manchurian peasants and by expeditions over the Great Wall. In 1920 Chang achieved his ambition and made himself master of Peking.

Chang's greatest rival in these years was Wu Pei-Fu, distinguished scholar who had graduated under the ol régime when official positions were awarded on the result of gruelling examinations in the Confucian classics. The strength of Wu's military position lay in his control of the railway between Peking and Hankow on the Yangtse. The source of his armaments was the iron-works of Hanyang and the source of his supplies was the same as his rival'shis army lived by holding the civilian population to ranson. The sufferings of the people of China under these war-lore are impossible to describe and difficult to imagine. In normal times the soldiers left the peasants enough to sustailife, but in famine years like 1920 it was not the soldiers whe died of starvation.

In 1922 a great battle was fought between Chang an Wu for the possession of Peking. Chang lost and retired this Manchurian strongholds. The victory was due larged to the intervention of one of Wu's generals, Feng Hu-Siar by name. Feng was in many ways the most remarkable China's war-lords, a burly giant of a man who turne Christian, married a secretary of the Y.W.C.A., and to Oliver Cromwell for his avowed model. He distribute Bibles to his soldiers, held daily prayer-meetings and sechis men into battle singing "Onward Christian Soldiers Throughout his army the strictest moral discipline wenforced—on one occasion he administered a public thrasting with his own hands to a colonel who had visited brothel. He set an example to his men by wearing coar clothes and eating frugally. He forbade looting. So long

¹ Vide Hallet Abend's Tortured China.

could pay his men regularly he could enforce this proition, but having no regular supply of funds he had to on the Robin Hood method of seizing convoys of silver their way to Peking and sharing the proceeds among men, paying privates first and officers last. To keep his out of mischief in their leisure hours he set them to ld roads. It was this pastime that enabled them to come Vu's help in the nick of time in 1920.

Vu put the "Christian General" in charge of Peking, I Feng remained loyal to his chief until 1924, when Chang -Lin returned to the offensive. The odds were in favour Wu but at the critical moment of the campaign Feng mly deserted him and returned to the capital. Wu fled. Fre was nothing left to him but the consolations of

try. He wrote:

The cold wind from the West stirs my old battle cloak,

To look upon the bloodstain on the cloak brings sorrow to my heart.

Ay only possessions now are my loyal heart and brave soul.

These will be with me for ever, despite the ice and snow of the present situation."

upreme in Peking, the Christian General now began to w signs of being more than a purely selfish war-lord. Trule in Peking was based on principles not far removed m those of the Kuomintang and he entered into close ations with Russia. It was well for him that he did, for 1926 the old rivals Chang and Wu made a surprising lition against him and the Christian General fled to scow, leaving his army to fight their way painfully back their headquarters in North-West China.

e Nationalists March North. The Nationalist leaders Canton now adopted a bold plan: while Wu was busy h his war against Feng they would march north and ze Hankow. Once there they could sweep down the ngtse to Shanghai, the greatest city in China, and then h the Yangtse as their base they could drive northwards

to Peking and all China would be under the Nationalis flag. They were full of confidence: the Whampoa Academ had trained thousands of officers, they had seven armic now, each of 14,500 men. Russia had sent arms and wa not insisting on payment. Besides, events since Sun's deat had gone well for the Kuomintang. In Shanghai the di missal of some workmen from a foreign factory in May 198 had led to a demonstration against the "imperialist ex ploiters." The police of the Shanghai International Settl ment had fired on the demonstrators, who were mostly w armed students. To avenge this a general strike was called and a boycott of British goods. A wave of anger again Great Britain spread over China. Canton had taken at vantage of it to stage a demonstration against the Britis in Hong Kong. Shots were exchanged between Chinese ar the British forces defending the Shameen Concession. Th Kuomintang announced that 52 Chinese had been kille and 117 wounded; they declared a boycott of Hong Kon and 30,000 Chinese-workers and their families-left the British employers and removed to Canton.

On the crest of the wave of anti-imperialist feeling tl Nationalists began their march north in June 1926. The armies, led by Chiang Kai-Shek, drove Wu's troops ov the Yangtse and captured Hankow, a city in an excelle position in the very heart of China, at the junction of t river Han with the Yangtse and at the head of the Easte Railway to Peking. The officials of the Kuomintang mov their headquarters from Canton and declared Hankow be the new capital of China. While Chiang and the arm swept down the Yangtse to take Nanking and the nati quarters of Shanghai, the officials set to work in a frenzy excitement to make Hankow a real centre of Nationalisi The workers were organized in trade unions and a seri of strikes forced wages up by 50 per cent in the course eight weeks. The managers of the Japanese factories bow to the storm and raised their wages, but the British cigare company—the largest concern in the city—preferred to p off its employees and close down. The foreign populati

the Yangtse towns were in the greatest consternation. wds of Chinese were parading the streets with red bans and anti-imperialist slogans. At any moment their itement might flame out in a massacre of Europeans. e, British gun-boats were in the river and could have wn to pieces any Chinese army on the banks, but that tht be too late to save white lives. English newspapers in nghai called on the British Government to declare war the revolutionaries. Luckily the British Government t its head. Realizing that the people of China were bed the Kuomintang now, the Foreign Office sent a repentative to Hankow to come to an agreement with the tionalist Foreign Minister. The latter, Eugene Chen, had n born in Trinidad a British subject. He spoke English ch better than he spoke Chinese and he understood that ain was ready to meet the Nationalist demands halfv. By the agreement between Chen and O'Malley Great ain gave up her Concessions in Hankow and Kiung. Further agreements would follow, if the Kuoming leaders could keep control of their supporters. In case movement got out of hand Britain sent a defence force hree brigades to Shanghai.

o far all was well. The Nationalists held the Yangtse, great artery of China. The foreign Powers seemed ready ome to terms. In the north, Feng, the Christian General, back from Moscow and had joined the Kuomintang, mising to combine with the party's armies in an attack the Peking war-lords. On the surface the Nationalists ned on the verge of victory. Actually they were in a

eless condition. The Kuomintang had split.

efore Sun's death, as we have seen, there were signs of left in the party. On one side were the merchants, ldle-men, managers, the middle-class faction whose ect was to give China a constitution under which trade the carried on profitably. On the other side, which y be called the Left wing, were the men who believed in a plution in the interests of all classes in China and held the redistribution of the wealth of China was more

important than profitable trade with foreign Powers. The Hankow Government was in the hands of this Left wing the leaders being Borodin, Eugene Chen and the youn widow of Dr. Sun Yat-Sen. Chiang Kai-Shek had alway had sympathies with the Right. Finding himself in control of a large army he took the opportunity to set up a Government at Nanking in April 1927 and refused to recognize the Hankow faction as the real executive of the Kuomir tang.

Chiang's coup d'état might well have failed if the Left, of Hankow Government, had been united. Chiang knew that it was not. Since 1921 there had been a Chinese Communi Party affiliated to the Third International at Moscow. Th Communists were members of the Kuomintang and ha accepted the terms of the Sun-Joffe agreement, recognizing that the immediate business was not to engineer a Conmunist revolution in China but a Nationalist Movemen to overthrow the forces of feudalism, militarism and imperialism. Borodin knew that the Chinese movement was a "bourgeois" revolution: "The only Communism po sible in China," he said, "is the Communism of povert a lot of people eating rice with chop-sticks out of an almo empty bowl." But in 1927 Stalin sent an Indian called Ro to Hankow without communicating with Borodin. Roy orders were to lead the Chinese Communist Party, to obta mastery over the Kuomintang, and to set on foot immed ately a proletarian revolution in China. It was useless for Borodin, Eugene Chen and Madame Sun to repudia Roy; the Chinese Communists accepted the orders of the Third International. The quarrel between the Communis and the Left wing put the Kuomintang at the mercy Chiang. Communist outrages turned public opinion Chiang's side. He sent his soldiers against Hankov Borodin, General Blücher and the other Russians escape and later Eugene Chen and Madame Sun followed their travelling by motor across Mongolia to Moscow. The reof the Kuomintang leaders came over to Chiang's camp Nanking. The Left wing of the party was thus broken as

whole organization of the party was in Chiang's hands. July 1927 he proceeded to break the Communists. A White Terror "of the utmost brutality followed. The last mmunist stronghold left was Canton, where a Commune's declared on December 14, only to be wiped out by liang's troops after three days' fighting.

e Nanking Government. By the end of 1927 Chiang i-Shek had triumphed. He claimed to be the successor Sun Yat-Sen and the champion of the Three Principles, It to make his claim credible married Sun's sister-in-law ough this meant putting away his third wife and adopt-"Christianity") and took Sun's brother-in-law, T. V. ng, as his Finance Minister and Sun's son, an unstable ature called Sun Fo, as his confidant. In June 1927 liang captured Peking, changed its name from Northern pital to Peiping, Northern Peace, and declared Nanking be the new capital and himself the new President of ina. Outwardly all China seemed united under a Reblican Government which called itself Kuomintang and d lip-service to the Three Principles, but in reality there s no unity and no principle. In Manchuria Chang Tson and his son Chang Hsueh-Liang were independent in crything except name, in the north-west Feng was still large, having been persuaded to hold his peace by a gift three million dollars, and Southern and Central China re seething with marauding bands and with Comnists.

Chiang's strength lay in the support of the mercantile I landowning classes. In their interest he dissolved many the trade unions and stopped the seizure of land by the asants; "at present," he declared, "we do not fear the pression of the peasants and workers by the landlords I capitalists, but rather the reverse." It was a policy ich naturally won the approval of the foreign powers to now hastened to recognize the Nanking Government I entered into treaty-relations with Chiang. By the new paties Belgium, Britain, the United States and other

Powers recognized that their Concessions should gradually be given up and their jurisdiction in China be ended; is return the Nanking Government gave foreigners the hither to unheard-of privilege of buying Chinese land.

An important consequence of Chiang's understanding with the moneyed class in China was the establishment of Chinese-owned industries, especially of textile works in Shanghai. The foreign Powers accordingly changed theis economic policy; instead of exporting cloth and othe finished goods to China they began to export machiner on a large scale. Between 1928 and 1930 the exports of British machinery to China trebled. Chiang made ever effort to attract foreign loans; he was especially anxious for advances from Japan and the United States and in a attempt to secure their good will encouraged Chang Hsuel Liang to seize the Chinese Eastern Railway from Russiana attempt which ended in ignominious failure.

The moneyed classes and the imperial Powers had ever reason to be pleased with Chiang Kai-Shek. True, he was difficult man to get on with, fiery-tempered, conceited and over-bearing, but they learned how to handle him remembering what a Communist had written in the far-away days before the Northern Expedition: "I praising him in a delicate manner and speaking in correform, much can be obtained from him; only one munever show oneself to be above or beneath him; one mube on the same level with him and never show that or wants to usurp a particle of his power."

Other classes in China had less use for the Nankir Government. To workers and peasants Chiang was ju another war-lord, though stronger and more ruthless that any they had suffered from. The Kuomintang was hinstrument and he used it as an instrument of tortur Taxes were highest and wages lowest in the provinces und his control, and the depredations of his soldiers were the most severe. It mattered little to the labouring classes the Nanking was popular with foreign Powers, that the Leagur of Nations was sending advisers from Geneva, that the

pital was being rebuilt by American architects and the ny remodelled by German officers. These were not the orms for which so many of them had joined the Kuoming in 1925 and 1926. By Nationalism they understood a ina without foreign influence, by Democracy a China hout militarism, by Social Justice a China where the asant owned enough land to support his children without r of flood or famine, where the factory-operative got of pay and the ricksha coolie need not run himself to ath in a few years.

viet China in 1931. The opposition to Chiang Kai-Shek d the Nanking Government gradually rallied round two ndards. In Canton a new Left wing of the Kuomintang gan to form: discontented war-lords and members of Nanking faction such as Sun Fo and Eugene Chen set a rival Kuomintang Government at Canton in May 1931, ling themselves the South-Western Political Council. is Council was more divided in aim and less capable of icient government than the Nanking branch of the party. very different sort of opposition existed in the form of mmunism. The Chinese Communist Party had been tlawed by Chiang Kai-Shek in 1927, but persecution ver destroyed it. Communist cells which had been formed ring the Northern Expedition continued in existence nenever their area was out of the range of repression. oung Chinese went every year to Moscow for training and turned to organize Soviets in China. The Soviet or mmittee system of government is much more suitable an parliamentary democracy to an illiterate people, and e young Chinese from Moscow proved more acceptable an the officials of the degenerate Kuomintang. Comunism offered an alleviation if not a solution of the asants' problem of famine and flood. It is not surprising at large areas of central China came under Soviet rule. ow extensive, how efficient, how far centralized that viet rule was, the historian has still no means of ascertaing. From Moscow he is assured that 100,000,000 Chinese

had adopted the Soviet system by 1931; from the Shanghai Press he is told that there was no Soviet system, only bandits masquerading under the red flag of Communism. We must content ourselves with quoting the evidence of two less biased observers. Sir John Hope-Simpson says of Communism north of the Yangtse: "When I went to China in 1931 there was a Soviet Government which controlled large portions of Hupeh Province and smaller area in Honan and elsewhere. This Government had existed for at least six years, and was so well organized as to have it own coinage and bank-note system; its own telephone and telegraphs; its schools and hospitals, and, of course its own army. On the north bank of the Yangtse, about 60 miles west of Hankow, there was a notice printed on : board in bold Chinese characters: "Here begins the territory of the Soviet Government of China." From tha point, sailing west for over one hundred and fifty miles one passed along Soviet territory." (*Problems of Peace* Series 8, published by Allen & Unwin.) Writing of the land south of the Yangtse, A. J. Toynbee calls attention to "the widening zone of Communist territory on either sid of the watershed between the Yangtse Basin and the Southern Seaboard: a barrier which was now insulating Canton and Nanking more and more effectually from each other."

Into this distracted China, torn by civil war and waster by official corruption, Japan launched an offensive in September 1931. We must leave revolutionary China at this point to follow the internal history of Japan which leave the Manchurian campaign.

III: THE PROBLEMS OF JAPAN

VENTY YEARS AGO Japan was a mediæval empire, off from the mainland by laws which forbade foreigners set foot on her islands and prevented Japanese from lding ships in which to penetrate to the outside world. e social system was feudal: the nobles (Samurai) owned land and the wealth. The Samurai had all the qualities I all the defects of a noble caste. They followed a strict ral code (Bushido) which like the Christian code of valry set honour above all things: in the cause of hour a Samurai felt justified in killing his opponent; her than live dishonoured he would kill himself. But the knights of mediæval Christendom the noble clans I their armies of retainers fought interminably among mselves. The Mikado was Emperor in nothing but me; power lay in the hands of whichever clan could we itself the strongest in battle. There was no peace and prosperity in Japan and the Empire of the Rising Sun k further and further into poverty.

At last a young generation of Samurai realized the plight their country. In 1867 Japan burst the egg-shell of her lusion, opened her ports to foreign traders and her mind modern economic and political ideas. In a few crowded are the feudal system was swept away, the nobles gave their privileges and peasants became proprietors of the d. The Japanese reformers borrowed from the West a nocratic constitution, with elected Parliament and binet responsible to it. But though the form was Western spirit was essentially Japanese. The Emperor's consent a needed before a parliamentary bill could become law if the Emperor was advised by a group known as the

Elder Statesmen. The Emperor was to command the army and navy, not through ministers responsible to the Cabinet, but through Chiefs of Staff who were responsible to him alone. The armed forces were therefore independent of Parliament. The Samurai emerged in the New Japan as commanders of the armed forces.

The Emperor was more than the figure-head of the New Japan; he was almost literally its god. The national religion from time immemorial has been Shinto, a deification of the natural objects of Japan. The word "Japan" comes from a Chinese phrase meaning the Rising Sun, and Japanese consider themselves under the special protection of the Sun-god. The makers of the new Japan took this belief as the corner-stone of their political system: the present Emperor, whose family has ruled Japan for two thousand years, is directly descended from the Sun-god; he mus therefore be honoured as a god, and as a god he must be obeyed. Under the new régime Bushido became the duty of dying for the honour of the Emperor and Shinto the duty of obeying the Emperor's commands. A new system of compulsory education was introduced to inculcate before all worldly knowledge the duty of unconditional obedience to the Son of Heaven, the Mikado, whose service is perfec freedom. Japan emerged as a modern nation, but Japanes patriotism is different in essence from the patriotism of Western nations; patriotism is the religion of the Japanese

In the decades which followed 1867 Japan underwent as economic transformation unparalleled in its rapidity. The Elder Statesmen who controlled the new régime beat the Western Powers at their own game of modernization. Be providing State capital for her industrial and commerciation concerns, by organizing the cultivation of the silk-worm thelp the farmer to supplement the revenue from rice, the built up a rationalized and centralized State in Japan. Be the end of the 19th century Japan had begun to play a part in the economic life of the Far East. While in her egg-she Japan had been self-supporting; now that she had emerger and was growing in population she looked to the mainland

sustenance. The Western Powers had already begun to ide China into spheres of influence for themselves. The v Japan felt the danger of this, especially of Russia's bitions in Korea, for the Korean peninsula is pointed: a weapon at the very heart of the Japanese Empire. w Korea was under the nominal suzerainty of China, and Chinese Government was obviously unable to protect peninsula from Russia or from anyone else; so Japan de war on China in 1894 and set up an independent gdom in Korea. (Later, in 1905, she annexed Korea (in te of assurances that she would do nothing of the sort) I in 1910 made it part of the Japanese Empire.)

as a further result of that war Japan annexed the otung Peninsula, which forms the southern tip of nchuria. Russia protested against this and Japan meekly aded Liaotung back to China, whereupon Russia coolly red Liaotung for herself and built a branch of the Chinese stern Railway through Southern Manchuria to Liaotung, ere two ports were constructed, Port Arthur and Dairen. ssia had at last achieved her ambition of a warm water t in the Pacific. Vladivostok was useful but it was frozen the winter.

This was more than Japan could stand. Supported by an ance with Great Britain she declared war on Russia in 4 and to the surprise of the world, defeated her by a lliant naval victory, won back Liaotung and took over South Manchurian Railway, for which the Chinese vernment granted her a lease for thirty-five years.

The Russian war of 1904 made Japan an Eastern Power; World War of 1914 made her a World Power. True to English alliance she joined the Allies, even though it ant fighting on the same side as Russia. There was very le fighting, however, for the Japanese. Their business s to supply the Allies with munitions and materials of r, to police the Pacific and to carry the trade of Asia in ir ships. A more profitable business could hardly be agined. Japan emerged from the war with a doubled lustrial output and with a favourable trade balance of

two billion dollars. At the Peace Conference she was give not only Shantung and the islands which had forme Germany's naval bases in the Pacific, but a permanent sea on the Council of the League of Nations, which wa equivalent to the recognition that Japan was one of th half-dozen great Powers of the world.

Feeding the Sixty Million. Japan had made a fortune But the foundation of a prosperous national economy car not be laid on war. When the war-orders ceased to come is and the bubble of the boom burst, Japanese statesmen foun themselves faced by a terrible problem. Japan was no long self-supporting. Her population had increased at an a tonishing pace: in 1846 it was 26 million, in 1920 the census figures showed almost 56 million. There could be no question now of going back to her old secluded positic as an agricultural empire. Already every inch of land the could bear a crop was under cultivation, already the population of the cultivated areas was nearly four times dense as in England. Agriculture could not support the nemillions and every year the population was increasing beco,000.

The problem could not be solved by emigration: the was no room in the outlying islands of the Empire, at Korea was already over-populated. In Pacific lands he by foreign Powers there was, it is true, plenty of room, be the United States and Australia and New Zealand had use for Japanese labourers. Only Brazil offered them at encouragement, and there the prospects were not enticing The Japanese are naturally disinclined to emigrate, a dinclination which it is hard for Anglo-Saxons to undestand; their life is bound up with their country, the flower and trees and waters of their own land are their gotheir national festival is flower-seeing, their altars are the shrines of Japan; for the Japanese living abroad is a set of death.

The only solution for Japan was to become the factor of the East; only by industrialism could she support l

er-growing population. But here again Japan was terribly ndicapped. Her natural resources of coal and iron were considerable; for the sinews of industry she was dependent on imports from foreign Powers. For raw materials too edepended on foreign Powers, on America and India cotton, on Australia for wool, on the Dutch Empired on America for oil; silk was the only important raw aterial which she could hope to produce at home. For arkets for her goods she was dependent on the British apire and on the United States. The situation was prerious, to say the very least: if the British Empire or United States should choose to stop selling raw materials d to stop buying cotton-goods and silk, Japan would be ined.

litical Parties. All parties in Japan agreed that the ly hope for the future lay in a policy of industrialization a huge scale. They disagreed over the best means to be ployed. There were two great political parties: the yukai, which corresponded roughly (very roughly) to the nservatives, and laid emphasis on the development of ernal trade, believing in Government subsidies for instry and agriculture; and the Minseito which like the Liberals believed in developing foreign trade on the sis of strict economy at home and good relations with eign nations. Opposed to both these policies were the litarists led by the General Staff, which is commonly led "the Camp." They were not a political party in y sense but they had great prestige—for the profession of ns was, and still is, held to be the most honourable by —and great power, for the Camp was independent of Cabinet and had most influence with the Mikado. The licy of the General Staff was simple: Japan must make r army and navy the strongest in the world and mainn herself by conquest.

It might be expected that the two political parties would turally be antagonistic to the militarists, not only on oral grounds but because of the expense their policy would involve. But the politicians of Japan, like those of evercountry in which party government is in its infancy, wer corrupt. They represented not the interests of the community but the interests of two rival clans. When the feuda power of the nobility was abolished after 1867 sons of nobl families who did not join the army turned to commerce industry and finance, and through their family connection and official influence built up great trusts which controlle every aspect of the economic life of Japan. The greatest of these trusts were the Mitsui family concern which wa chiefly interested in banking, manufactured goods, heav industry and, above all, armaments. The Mitsui clan wer behind the Seiyukai Party. Almost equally important we the Mitsubishi family concern which lay behind the Mit seito Party and controlled shipbuilding and engineering marine insurance and warehousing, electrical engineering and aircraft construction. Though these parties were of posed on principle to the ambitions of the Camp, it obvious that they were not without interest in militar expansion. The Seiyukai stood to gain particularly l expenditure on the army, the Minseito by expenditure the navy.

Events in 1918 played directly into the hands of the militarists. France and Britain were at war with the Russia Bolsheviks and Japan was invited to send a quota of trooto help Kolchak against the Reds on the eastern front. Japasent more than her quota and seized the Chinese Easte Railway and the eastern section of the Trans-Siberian. Sidreamed of a ruined Russia, unable to compete in the traof the East, she dreamed of a Japanese Manchuria and polaps of a monopoly of the immense markets of China. Support her military expenditure she set to work to increase her navy.

The Washington Conference. From these dreams Jap was abruptly awakened by the United States. The Ame can Navy began a race in shipbuilding and set a pace whi Japan could not hope to keep up. The American peop

bwed angry resentment at Japan's control of the exrman islands in the Pacific which were stations of the S. cable system. What is more, America protested openly ainst Japan's ambitious policy towards China. The nerican policy towards China had always been that of e Open Door, in other words that there should be equality opportunity in making profit out of the Chinese but no nexation of land in China. By the Twenty-One Demands 1915 Japan had flagrantly violated that principle.

In 1921 the stage seemed set for a war in the Pacific. At e eleventh hour President Harding issued invitations for Nine Power Conference to meet at Washington. A large dy of Japanese opinion, including the Militarists and ost of the Seiyukai Party, held that it was a trap and that pan should refuse to attend; fortunately for the peace of e world the Japanese Prime Minister thought otherwise d sent Viscount Kato, a member of the Mitsubishi clan,

Washington.

At Washington Japan abandoned her ambition of naval premacy and accepted a ratio between her navy and those Great Britain and the United States of 3:5:5. With gard to China, Japan formally accepted the principle of e Open Door and the signatories undertook "not to suprt any agreements by their respective nationals with each her designed to create spheres of influence or to provide r the enjoyment of mutually exclusive opportunities in signated parts of Chinese territories." As a further act of ace Japan restored the Shantung peninsula to China, called her armies from Siberia (though it was late in 1922 fore the Japanese generals could be prevailed upon to acuate Vladivostok) and reduced her army by 60,000 men. The sweet reasonableness of the Japanese at Washington ade a considerable impression on world opinion. "If ere is one thing to be noted more than another by the ork that has led up to this settlement," wrote H. G. Wells, it is the adaptability, the intelligent and sympathetic derstanding shown by the Japanese in these transactions. . The idea of them as of a people insanely patriotic,

patriotically subtle and treacherous, mysterious and mentally inaccessible has been largely dispelled. Our Western World, I am convinced, can work with the Japanese and understand them."

"Dangerous Thoughts." Japan had thus secured breathing-space in which to set her house in order. Bu her leaders had scarcely had time to realize the difficultie which this would involve when a catastrophe occurred from which the nation has not yet recovered. On September 1 1923, the most crowded area of Japan was destroyed by a earthquake. Tokyo-the eastern capital-and the grea port of Yokohama were destroyed. In the earthquake an the great fires which followed it 160,000 lives were lost an £,550,000,000 of damage was done. Figures can give no ide of the nature of the catastrophe. Anyone who has experenced the mildest earthquake, anyone who has sat in a roor where the light-pendants have begun suddenly swingin and has seen the brick facings of the buildings opposite per off and crash into the street will know that the effect is no comparable to that of any other natural calamity. Stori and shipwreck, flood and fire, plague, pestilence and famin can be borne, but there is something in the horror cause by an earthquake that is almost outside the gamut of human fear.

The physical damage was soon repaired; in seven year the capital was rebuilt, a finer, more spacious city wit wide streets and ferro-concrete buildings. The moral damage was harder to repair; a touch of hysteria which has no yet been eradicated crept into the psyche of Japan. There were fissures in the social as well as in the physical structur of Japan during those years. The suddenness of the Industrial Revolution had caused dislocations greater even that those it had entailed in England a century ago. The worker hours were long and their pay small. The employers allowe them no life outside their jobs; many workers slept in the factories, the rest were housed in wretched slums with whice the cities were clogged. Since 1919, when 35,000 workers in

be rose under the Christian preacher Kagawa, strikes d been frequent but always ineffectual. Trade unions in cities were unrecognized and impotent. In these circumnces Communist ideas naturally gained ground among students, 10 per cent of whom were said to have beme Marxists. The Seiyukai Government did all that islation could do to repress what was officially termed langerous thoughts," but the virus spread to the working ss and the news of the British Labour victory of 1924 ve its leaders heart to organize a powerful movement for astitutional reform. In that year the reactionary Seiyukai nistry fell, disgraced by revelations of profiteering in ium in Manchuria and embezzling money destined for litary operations in Siberia, and was succeeded by a tsubishi Cabinet under Viscount Kato and Baron Shidera. The new Government at once passed a Manhood ffrage bill to give the working classes the vote, and it med that if internal dissensions among the working-class rties could be overcome wholesale reform would follow. t the Mikado's advisers refused to let him consent to the I until a Peace Preservation Act was passed making atnpts to overthrow the Constitution or to attack the system private property a criminal offence for which the punishent (by an amendment of 1928) was death.

In spite of continued repression of "dangerous thoughts" e new Mitsubishi Cabinet was not unenlightened. With its sistance the Japanese cotton industry organized itself in a sy that made its Lancashire rivals seem childish. Superior ganization played a greater part than low wages and long urs in making the Japanese cotton industry the greatest the world. Lancashire, faced with ruin, complained that a competition was unfair, but she had been beaten at rown game of free competition; if the game was unfair a fault lay not with Japan but with Lancashire, who had awn up the rules.

pan's Peaceful Policy, 1922–30. For nearly ten years er the Washington Conference Japan pursued a policy of

peace. Her expenditure on the armed forces was sometime 48 per cent of her total budget and in no year less that 28 per cent, but she never had resort to arms. There wa considerable provocation. In 1924 the United States passe an Immigration Act by which Japanese were expressly excluded. Since 1907 the Japanese Government had unde the terms of a "Gentleman's Agreement," refused to gran passports to coolies, and in the succeeding years the Japanes population of the United States had decreased; by tearing up the Gentleman's Agreement and passing an invidiou act of total exclusion America had inflicted a studied insu on Japan. In the old days Japanese statesmen would hav avenged themselves by war or suicide; in 1924 they swa lowed the insult. Three years later Japan again showe restraint. When Chinese Nationalists invaded Shangh English and American warships opened fire on the invader There were Japanese warships in the harbour; the Japanes Consulate had been raided and the inmates murdered; y the Japanese refused to take any part in the bombardmen

The Militarists and the Seiyukai were furious with th policy of non-intervention. In 1927 when Baron Shideha was forced out of office by a banking crisis, they sent a armed force to occupy Shantung. But Baron Shidehara w. soon back in power and ordered the evacuation of Shantur and the resumption of peaceful relations with all foreigner The Militarists pointed to the danger from a Nation China and to the new menace from Soviet Russia, who army was increasing every year, and who had now begu the double-tracking of the Trans-Siberian Railway. Y the Government maintained its pacific policy. The Mi tarists were angry but could do nothing. They suffered further rebuff in 1930, when a Naval Disarmament Confe ence was convened in London by Ramsay MacDonald discuss the limitation of auxiliary naval vessels which ha not been included in the Washington Treaty. The repr sentatives of the Japanese Navy in London refused to lim their programme of construction, whereupon MacDona —in defiance of all diplomatic convention—communicate r their heads with the Prime Minister at Tokyo, who e his consent to limitation.

The London Agreement was ratified in October 1930. The weeks later the Japanese Prime Minister was murded. And a revenge even sweeter than murder was in the for the Militarists.

nomic Crisis in Japan. In 1930 the World Crisis hit an with its full force. Japanese foreign trade fell by rly a third in the course of the year; in no country in world was the drop so severe.

lmost half the population of Japan were agriculturs. They farmed tiny holdings of a couple of acres or so, ing endlessly to keep their paddy fields watered and ded to raise the rice crop on which they must live. ry year conditions had been getting harder, rents had n rising because landowners had to bear ever increasing ation, the price of rice, which had been stable for years, now falling acutely. For their diet there was nothing the unsaleable residue of their own rice crop. Fish uld have been plentiful, but it was too expensive, only family in ten could afford the luxury. The only way peasant could add to his resources was by growing lberry-trees and rearing silk-worms on the leaves but y, suddenly, he found he could not get a fair price for silk. The peasant wondered why; he was told that ericans could not afford to buy because there had been rash on the stock markets of Wall Street. It was not a sfying answer.

for the townspeople the situation was no better. Their nomic life depended on three great industries, shipping, and cotton-manufacture. The World Crisis robbed their is of cargoes and knocked down the price of silk and of ton goods. And as if that was not hard enough to bear Chinese had set a boycott on Japanese wares and the tish Dominions were battening up their ports against the momic blizzard by building new tariff walls which banese exporters could not penetrate.

So this was the result of a decade of effort on the part Japan to make her way peaceably in the economic field. She had learned the methods of the West and laboure truly, only to find herself struck down by forces over which she had no control. It seemed as if the Militarists had bearight all along.

It is deplorable, but in the circumstances not surprisin that Japan turned to war as the way out of the crisis.

IV: MANCHURIA BECOMES MANCHUKUO

N SEPTEMBER 18, 1931, a bomb exploded on the ath Manchurian Railway. The explosion was taken by an as a signal for invading Manchuria. Without declarwar, without any diplomatic warning, Japanese soldiers we Chang Hsueh-Liang out of Mukden. No one who was the spot was in any doubt as to their intentions: "I lify to efforts to establish a puppet independent government of Manchuria under Japanese military control," so a cable from an American witness to the New York rald-Tribune.

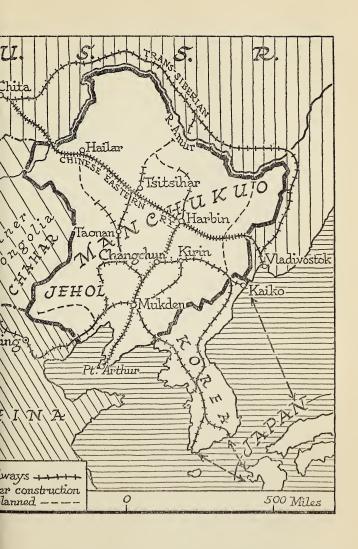
ince 1644, when the Manchu dynasty came to the throne Peking, Manchuria had been part of the Chinese Empire, bwn and administered as the Three Eastern Provinces of ina. Until the beginning of the twentieth century the winces, which cover an area as big as France and rmany together, were almost entirely undeveloped. en Russia obtained the right to build the Chinese stern Railway as a short cut to Vladivostok and began construction of a branch line from Harbin to Dairen 1 Port Arthur. After the Russo-Japanese War China thed, as we have said, a lease of this branch-line to Japan thirty-five years, and Japan formed the South Manurian Railway Company to control the line and to yelop the railway zone.

e South Manchurian Railway Company. For Japan inchuria was a land of infinite possibilities. It could never m an outlet for her surplus population, the winters were severe for the Japanese to stand; but its virgin forests

and pasture lands were capable of supplying the ramaterials for Japanese industry: its mineral deposits coulsupply the power—the coal and iron and shale oil whice were so sadly lacking in Japan: and its agricultural be would make up the deficiency in the Japanese food supply The South Manchurian Railway Company set to work with extraordinary vitality. By 1930 over 2,000,000,000 yen had been invested by Japanese in Manchuria, and the company had constructed not only railways, but factoric chemical fertilizer plants, ports and whole cities. The had bour at Dairen was entirely reconstructed and was exporting 60 per cent of the world's crop of soya beans and bear products. The coal mines which had been turning out meagre 300 tons a day in 1907 were now producing 30,00 tons; the iron deposits which had been considered uprofitable were being worked at a profit.

The labour for these gigantic enterprises was Chines Every year nearly a million Chinese fled from the famin and floods of their own country to take employment und the South Manchurian Railway Company or to settle the now prosperous lands tapped by the railway system. Chinese Nationalists resented this development of the country by foreigners—the Chinese did the work and to Japanese took the profits—but they were impotent to resing China's Inspector General of the Three Eastern Province Chang Tso-Lin, had established what amounted autonomous rule over Manchuria and was hand-in-glowith the Japanese. They let him have armaments on created lent him enough money to build 500 miles of railwas tributaries to the South Manchurian line.

Before long Chang Tso-Lin quarrelled with the Japane His ambitions spread to the conquest of China, and moved his headquarters to Peking. This did not suit to Japanese book and the South Manchurian Railway Copany refused to carry his troops in their trains. Charetaliated by building lines of his own parallel to it, ling which if properly run would have diverted trade from to Japanese line and Dairen. In 1928 he was killed by



bomb, which, oddly enough, exploded as his train passed under a bridge guarded by Japanese. He was succeeded by his son Chang Hsueh-Liang, who resisted Japan openly. He joined the Kuomintang and refused to pay interest on the money which his father had borrowed. What is more he encouraged bandit raids on Japanese settlements. The Japanese were in a minute minority in Manchuria, the Chinese population numbered 30,000,000 to the Japanese 220,000. Alarmed for their safety the Japanese in Manchuria sent a delegation to Tokyo in 1930 to ask the Government to intervene. Baron Shidehara dismissed then politely: "It is not wise," he said, "to think of the diplo matic problems of the twentieth century in terms of the nineteenth."

A year later Baron Shidehara and his "twentieth century" policy of peace were swept away by the economicrisis. The Camp took control. Then the bomb incident c September 18 gave them an excuse to drive Chang out c Mukden.

Japanese invade Manchuria. The outside world way vastly shocked. Here was a civilized nation doing what civilized nations had not done since—well, not for a long time. True, the European powers had made a grab for Africa during the nineteenth century. True, the United States had more recently made what amounted to a grafor Central America, setting up an independent republic in Cuba in 1898—in the interests of humanity, of course-and interfering in a militant fashion in San Domingo, if Haiti, in Nicaragua and in Panama. Even President Wilso had not been above establishing American control over Mexico, just before joining the Allies "to fight for the rights of weak nations." But that was different; all those cases were different; there was no League of Nations is those days.

At the time of the Japanese invasion of Mukden th League Council happened to be in session at Geneva, wit both China and Japan represented. China appealed a ce to the League under Article XI of the Covenant, and Council, which would have been unanimous but for understandable disagreement of the Japanese delegate, ered Japanese troops to be withdrawn completely from nchuria by November 16.

The Japanese had no intention of withdrawing. On wember 18 they captured the city of Tsitsihar. Their od can be judged from the leaflets which their planes pped on Chinchow, where the Chinese leader had ablished his headquarters.

"Chang Hsueh-Liang, that most rapacious, wanton, tinking youth, is still failing to realise his odiousness nd has established a Provisional Mukden Government at Chinchow to plot intrigues in the territories which are afely under the rule of the troops of the Great Japanese Empire. . . . The Imperial Army, which, in accordance with the principles of justice, is endeavouring to safeuard its interests and to protect the masses, will never ecognise the Provisional Government of Chang Hsuehiang at Chinchow, and therefore, it is obliged to take rastic measures to suppress such a Government. The eople of Chinchow should submit to the kindness and ower of the Great Japanese Empire and should oppose nd prevent the establishment of Chang Hsueh-Liang's Government, otherwise they will be considered as ecidedly opposing the army of the Great Japanese Empire, in which case the army will ruthlessly destroy Chinchow."1

The stinking youth failed to realise his odiousness, and Japanese took Chinchow and overran the whole of inchuria. Within a year of the opening of hostilities ry Chinese army in Manchuria was defeated and oan declared that the Three Eastern Provinces were now independent (sic) State of Manchukuo. The new State I Japanese advisers in every department and the

¹ Chih Meng in China Speaks (Macmillan: 1933).

Japanese army for its military force; the deposed Manch Emperor, Henry Pu-yi, who for the last ten years had live under Japanese protection, was brought out of his retir ment to become first President and later (in Februar 1934) Emperor of the new State.

The Battle of Shanghai. All had gone well for Japan Manchuria, but meanwhile she had suffered a severe se back in Shanghai. Shanghai is one of the five great por of the world and is by far the most important in Chin The city is built on a creek known as the Wangpoo Rive some eighteen miles from the Yangtse. The riches of the city are concentrated in the International Settlemer which, though it harbours over a million Chinese, is rule by a Consular body representing nineteen foreign Power including Japan. South of the International Settlement the French Concession and the Chinese Native City. Nor of the Settlement, on the side nearest to the Yangtse, is the Chinese quarter, Chapei, and the terminus of the railw from Nanking. In February 1932 Japan sent a fleet Shanghai to frighten the Chinese into stopping their bo cott of Japanese trade. The Chinese called the bluff at defended Chapei, digging themselves into trenches alo a line from the Nanking Station to forts on the Yangt Japan now had to attack or retire in disgrace. She decid to attack. Japanese aircraft bombed Chapei to pieces, b to the surprise of everybody, including themselves, t Chinese troops defied bombardment, shell barrage, a infantry charges. Japan was thwarted; after sufferi heavy losses she made a truce and retired from Shangl in May.

By the battle of Shanghai Japan lost more than men a money; she lost the sympathy of every other foreign Pow with interests in China. For her attack on Chapei Japhad the northern part of the International Settleme as a base for a fighting force of 25,000 fighting men, 40 sh of war, 200 aeroplanes and a fleet of tanks—in defiar of Settlement Law and of specific promises made to 1

ish Consul-General. By making the Settlement her base an exposed the Nationals of the other foreign Powers to ounter-attack from the Chinese and put in jeopardy the existence of foreign trading rights in China. Western vers could forgive the invasion of Manchuria; they were likely to overlook the violation of their International lement at Shanghai.

Attitude of the League. In the eyes of the Western vers the Japanese took the place which the Bolsheviks held since 1917 as the villains of the world's political 7. The Powers had made war on the Bolsheviks, and had ned their fingers; they knew better than to make war on Japanese. Distracted by the economic crisis they did not prevent their armament manufacturers from making fit by exporting arms to China and Japan indiscrimiely. The League of Nations sent a Commission headed Lord Lytton to report on the situation in the Far East. Commission reported that Japan's action of September I was not justified by reasons of self-defence and ommended that the powers should not recognize Mankuo, which was nothing but Japan's puppet, and that Japanese should evacuate all Manchuria except the way zone. Completely unabashed Japan meanwhile quered Jehol, brought Inner Mongolia under the nchukuan rule and occupied the strongholds which are key to Peking. On 24 February, 1933, the League pted the Lytton Report. Japan's reply was to give ce of withdrawal from the League.

apan had a case, of course. She was acting in the interof the Manchurian people as the East Indian Company the British Government had acted in the interest of the ple of India, and as the United States had acted in the crest of the people of Panama when they forcibly arated the Republic of Panama from Colombia. She intained, furthermore, that her action was justified by ties. She produced a Protocol purporting to have been need at Peking in 1905 by which the Chinese Government

engaged not to build main line railways near or parallel to the South Manchurian or any branch line which migh injure its monopoly. She reminded China of the Twenty One Demands of 1915 giving Japan the lease of mines and railways in Manchuria until the year 2007. China had ignored these treaties. Furthermore the Chinese Govern ment had failed to maintain order in the Eastern Provinces had spilled Japanese blood in bandit raids and had not pair interest on money borrowed from Japan. She reminder China that Manchukuo was not annexed by Japan but wa an independent State under a Manchu Emperor, which the inhabitants preferred to the military rule of the Change China's reply was that the Pekin Protocol was a forgery that the Twenty-One Demands had never been ratified b a Chinese Legislative Assembly and had been signed unde duress and were therefore invalid, that the non-payment of interest does not constitute a right on the creditor's part t military interference, and that the Manchukuo régime wa supported by nothing but the military force of Japan.

There is no need to probe these arguments. The fact remains that at one blow Japan had swept away the whole house of cards which statesmen had been so laboriously constructing since 1918 as a barrier against aggressive war By the League Covenant of 1919, Article 8, "The member of the League undertake to respect and preserve as again external aggression the territorial integrity and existing political independence of all members of the League." P the Nine-Power Treaty signed at Washington in 1922, "Th contracting powers, other than China, agree: To respect the sovereignty, the independence, and the territorial an administrative integrity of China. To provide the fulle and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable govern ment." By the Briand-Kellogg Pact signed at Paris in 192 "The high contracting parties agree that the settlement solution of all disputes of conflicts of whatever nature or whatever origin they may be, which may arise among ther shall never be sought except by pacific means." Japan ha

lated the spirit of Covenant, Treaty and Pact. The task devising a machinery to outlaw war must be begun all r again.

icers Rule Japan. The result of Japan's action was t Manchukuo, however independent in name, was under control in fact; the iron and coal, beans and corn and ber of Manchuria were hers, and the problem of supportan overcrowded population in a world of tariff-war and nomic crisis was, for the time, solved. The result of the ague's action—if such mild admonition can be called ion—was to convince the people of Japan that the Camp d been right and that neither understanding nor sym-

thy could be expected from the Great Powers.

The Militarists had invaded Manchuria in September on their own responsibility. Baron Shidehara and the nseito Government, which was then in power, had tried restrain them, to make terms with Chang Hsueh-Liang, the General Staff had brushed them aside, and in cember the Minseito ministers resigned and were laced by a Seiyukai cabinet. The new Government was re aggressive in mentality—it countenanced the Shangventure—but not aggressive enough, for a few days er the Lytton Report was published the Prime Minister, ikai, opened negotiations for a truce with China. A cry of k of patriotism was raised against him and against his ckers, the Mitsui family trust. Inukai and the head of Mitsui concern were shot to death by young patriots h navy revolvers. Public opinion, which for so many ars had been wavering between militarism, "dangerous oughts" and connivance in Mitsui and Mitsubishi ofit-making now turned violently to the side of the Camp. e hero of the war and the virtual dictator of Japan was neral Araki, the Minister of War.

The success of the Japanese campaigns in Manchuria s largely due to Araki's organization. He had invented slogan under which the Japanese soldiers fought: Kill and give no quarter." He had done more than that;

he had given a name and a "philosophy" to the contemporary spirit of the Japanese people. The name was Kode which means the Way of the Emperor, a development of Shinto, the Way of the Gods. The "philosophy" was not unlike that which passes under the name of Fascism in the West. The highest good is the service of the State, the purit of the race is to be treasured above all things. Mutata mutandis, we can hear the voice of Hitler in the speed General Araki made in March 1933:

"It is a big mistake to consider the Manchuria problem from a merely materialistic point of view an regard it simply as a question of rights, or interests of 'life line.' The trouble has arisen because the corrug materialistic ideas of the Chinese people, imported from the West, have defiled the racial spirit and national morality of the Japanese to the firing-point. We Japanes are not afraid of blood, nor do we grudge to lay down or life for justice. It is the Imperial House that is the Centi of us. Herein lies the supreme virtue of the Imperi House. His Majesty is, ipso facto, Japanese morality, an to assist in promoting the prosperity of the Imperi-House or the spread of Japanese morality is the bas principle of our existence. Lately, however, the burning national spirit has been on the wane, it has been going down steeply. Capitalists are engrossed with calculation and profits to the neglect of the welfare of societ Politicians run after party advantage, forgetful of the interest of the State. . . . It is a veritable measure Providence that the Manchurian trouble has arise it is an alarm-bell for the awakening of the Japane people. If the nation is rekindled with the same gre spirit in which the country was founded, the time w come when all the nations of the world will be ma to look up to our Kodo. Kodo, the great ideal of the Japanese nation, is of such substance that it should spread and expanded all over the world, and eve impediment to it brushed aside—even by the sword."

¹ The Japanese Weekly Chronicle, May 16, 1933.

dodo goes further than the assertion of the superiority the Japanese race. It holds that Japan has a sacred sion in the East, a duty to save Eastern peoples from nination by the White Races. By the Monroe Doctrine United States had claimed to be the protector of the erican peoples and European powers were forbidden equire new territories or political rights in the continent. an now made the same claim in Asia.

"The Countries of the Far East," said Araki, "are ne objects of pressure on the part of the White races. ut awakened Japan can no longer tolerate further ranny and oppression at their hands. It is the duty of ne Emperor's Country to oppose, with determination, ne actions of any Power, however strong, if they are ot in accord with Kodo. Do not worry about deficiency f strength or of material, everything depends on spirit. f anybody impedes the march of this country he should e beaten down ruthlessly and without giving any uarter. . . . As for the Manchurian affair, does it not fford a capital opportunity for making known to the uter world what Japan and her true spirit and value is ke and also a capital opportunity for all the people of sia to exhibit the spirit and civilization of Asia as gainst the two groups of Europe and America?"

reat to Soviet Russia. Japan's threats were directed at acutely against a third group, against Soviet Russia. It coverrunning of Manchuria, where she held the Chinese tern Railway, was naturally of concern to Moscow; hight have been expected that she would have opposed an. But the Soviet Union was in no position to resist; ry ounce of her energy was needed for economic construction. She meekly offered to sell the railway to an and safeguarded her frontiers by making treaties her the European Powers and the United States and by centrating a large army in Siberia. This force was ler the command of General Blücher, whom we have

already met directing Nationalist operations in China in 1926; he had spent several years since then as Sovie military attaché to Japan, a post in which he had every opportunity to measure the resources of the Imperial Army

Throughout 1934 the world waited for news of a Russo Japanese war in Siberia. In Japan it was generally recognized that a crisis would come after 1935, the year when the naval treaties would come up for review at Washington and when Japan's notice of withdrawal from the League was due to expire. In her budget for 1934–35 nearly half the total revenue was set aside for military expenditure, ar increase of 20 per cent on the allocation of the previou year and 3 per cent more than Germany allocated in the year before the Great War. The strain of these preparation on the people can be imagined when it is realized that Japan's military expenditure was as heavy as that of Great Britain though her budget was only a quarter of the British. But the Japanese did not demur. In 1934 school children were writing essays on "The Crisis of 1936."

V: ACHIEVEMENTS OF THE CHINESE REVOLUTION

HE CHINESE REVOLUTION has been in full tide a quarter of a century, yet it is still only at its beginning. ere can be no question of estimating now its final nievements, but from this quarter-century of flux have erged certain new factors in the life of China which may ll be of permanent importance in the history of the entry. These factors we must attempt to isolate.

te Literary Renaissance. The changes that have taken ce in the cultural life of China are perhaps best illusted from the life of the man who is recognized as the ellectual leader of China to-day. Hu Shih was born in at, the son of an elderly and learned official and of an terate country girl. His father intended him to be a man letters and before the child was three he had learned no s than eight hundred characters. Later, at a village ool where the children were kept at work for twelve urs a day and bowed to the image of Confucius as they w to-day to the portrait of Sun Yat-Sen, the boy memord the classics which then formed the basis of every inaman's education. If he had been born a few years rlier Hu Shih would have gone on with his study of the ssics to prepare himself for the final examination in king where each candidate was shut up for several days one of the thousand examination cells to answer the

Namely The Book of Filial Piety; The Elementary Lessons; The Four ks, i.e., The Analects of Confucius, The Book of Mencius, The Great rning, and The Doctrine of the Mean; and the Four Classics, i.e., Book of Poetry, The Book of History, The Book of Change and The Li Ki.

332 ACHIEVEMENTS OF THE CHINESE REVOLUTION questions on the ancient writers, for it was on the result of this examination alone that administrative and educational posts in Imperial China could be secured. But it 1905 the system of competitive examinations and the classical curriculum at the higher schools were abolished Hu Shih went to Shanghai, where for six years he studied the works of Western philosophers, Hobbes, Descartes, Kant and particularly Huxley, Spencer and Darwin. The Dar winian doctrine of the Survival of the Fittest impressed him so deeply that he took the name of Shih, which mean Fittest. During these years he was supporting himself and his mother by giving lessons in English and Chinese. The he won a scholarship to America on a foundation estab lished with the money which China paid to the United States by way of indemnity for the Boxer Rebellion. From 1910 to 1917 he was at the universities of Cornell and Columbia. His professor at Columbia was John Dewey who became his friend and exercised a great influence of his life, and through him on the development of the inte lectuals of China. From Dewey he learned the value logical thinking and the necessity of verifying his hypotheses by exact evidence. Hu Shih became a materialis As a boy he had found himself in conflict with the orthodo religions of China, with Taoism and with Buddhism a much as with the worship of Kwan-yin, the Goddess Mercy, who was his mother's favourite deity. He ha found in the works of some ancient and heretical philosophe the following words, which made an enduring impression

on him: "The body is the material basis of the spiri and the spirit is only the functioning of the body. The spir is to the body what sharpness is to a sharp knife. We hav never known the existence of sharpness after the destru tion of the knife. How can we admit the survival of the spirit when the body is gone?" Hu Shih did not believ in personal immortality; in his belief, he wrote, "Ever thing is immortal. Everything that we are, everything the we do, and everything that we say is immortal in the sen

that it has its effect somewhere in this world, and th

ect in turn will have its results somewhere else, and the ng goes on in infinite time and space."

Fortified with this philosophy, Hu Shih returned to China 1918. He took no part in the political work of the olution for he held the doctrine of non-resistance Five centuries before Christ, the Chinese philosopher o-Tse had taught that the highest virtue resisted nothing I that water, which resists nothing, is itself irresistible "). saw the immediate task of the revolution to lie, not in itics, but in the promotion of a new literature, a literae which would be intelligible to the masses and which ald express the thought of the modern world. The rary language of China was the language of Confucius; er since the first century after Christ it had been uninigible to the masses, who had evolved new spoken lects of their own. Only after many years of learning ald a man master the written language; it followed that business of ruling and guiding China fell into the hands a literary élite versed in the classics. Side by side with s literary language a new written language had grown Popular novels were written in pei-hua, which was a ple transliteration of the vernacular dialects into a mere ndred characters. Millions of men taught themselves hua and read the novels, but they were ashamed of their owledge, for pei-hua was despised as a vulgar tongue by ruling class of Confucian literati. Hu Shih set himself task of establishing it as the recognized written language China. He wrote his poems and pamphlets in the nacular, and the young intellectuals of China who had ne to accept him as their master upheld his example. blishing houses were founded to pour out hundreds of busands of copies of text-books and pamphlets in this nmon tongue. The schools began to teach pei-hua. The ult was that China began to become a country of rate people.

It was a tremendous reform which can be compared by to the change which came over Europe when the tional tongues began to replace Latin as the only written language of Europe, when Chaucer wrote in English, and Dante in Tuscan, and the poets of the Pléiade in the French of Paris. Instead of a thousand dialects and one written language comprehensible only to clerks, Europe emerged with a few flexible and virile national languages which became the vehicle of the new culture which bore Europe from Mediævalism to the Modern Age. Hu Shih, by making pei-hua the written speech, has made a similar cultural revolution possible for China.

Hu Shih's outlook has spread to every university in China. He sees Buddhism as the great enemy of China Buddhism which, spreading from India in the first centuries after Christ, strengthened incalculably the spiritual life of the country but to-day survives only as a leech sapping the power of the Chinese to adapt themselves to the conditions of the modern world. Hu Shih, the Voltaire of the Chinese Revolution, would put in place of Buddhism wha he calls Creative Understanding, an adaptation of the materialism of John Dewey to the ancient thought of China He would have his pupils forget their preoccupation with personal immortality and with ancestor-worship. He would have them not concern themselves with worship of a God "On the basis of all our verifiable scientific knowledge, w should recognize that the universe and everything in follow natural laws of movement and change—'natural in the Chinese sense of 'being so in themselves'—an that there is no need for the concept of a Supernatura Ruler and Creator." In this Hu Shih is in the true line Chinese tradition, for Confucianism said nothing of supernatural religion but taught precepts for leading harmonious life. Hu Shih sees the mastering of Wester technique to harness the forces of nature as the most in portant task for contemporary China. But it must not be imagined that he and his followers believe in Progress: the American sense. "Chinese who applaud the triump of the machine rarely mean what the West means when uses the same phrases. The latter hails it as a master, the former accept it as a servant. When they reflect on tl

akness of their own country in the face of foreign Powers, y feel like a giant outwitted by a dwarf. They admire devices which give success to the barbarian, as a Euron may admire the skill of a native tracker who follows he through the bush or kindles a camp fire by rubbing ks. To neutralise his capacity for mischief, so prodigious I incalculable, and gain what good he has to offer, y must master his tricks. But tricks, after all, are but ks; means are means and nothing more. Apart from a adful of ex-students educated in America, most Chinese ald as little dream of succumbing to the philosophy of West, and endorsing its ends, as the European of exanging his life for that of a bushman."

The achievement of the cultural renaissance has been to e the Chinese a language which they can easily learn read and write, and a philosophy which reconciles apparently conflicting forces of Chinese tradition Western civilization. Institutions and administrative chinery for spreading the renaissance to the masses have yet been created. A few more primary schools were lt—in 1919 there were 147,000, in 1928 rather more n 158,000—and a campaign against illiteracy was nched by Y.C. James Yen and the Mass Education vement. The provisions for secondary education were ridiculously inadequate by Western standards; in 1921 re were only 2,000 odd secondary schools in China h a total of 400,000 pupils. The Nanking ministers were fuse in promises—for instance, they adopted in 1930 an cational programme to train a million teachers, build illion classrooms, bring forty million additional children chool and to teach two hundred million adults to read; programme they blandly declared would be completed twenty years.

e Social Reformation. The two facts most widely own in the West about the people of China were that men wore pigtails and the women's feet were bound.

¹ R. H. Tawney in Land and Labour in China.

These customs symbolised the two loyalties which guide the lives of the Chinese: in token of submission to th Emperor men twisted their hair into queues, in token of submission to the family girls let their feet be bound Since the Revolution pig-tails have gone—they were cu off as a sign of emancipation in 1911—and the binding of the feet is fast going out of fashion. Loyalty to Empero and to family have disappeared. It is difficult for Wester people to imagine the implications of the break-up of th institution of the patriarchal family; it meant more than home to the Chinese, more than a clan: it was almost in sense a state, in a sense an association for worship, it stoo for a moral discipline. There has been a change in all that the boys are free to choose their own mates and the own careers, they value their independence and are un hampered by any of the responsibilities incumbent on the dutiful sons of former days, the girls let their feet grov cut their hair, wear Western frocks if they choose to, ar marry for love, sometimes keeping their maiden names ar competing with men in professional and public careers.

The Revolution has also upset the traditional class-stru ture of China. Formerly Chinese society was divided in four classes, in the following order: scholars, farmers, ar sans and traders. The scholars held, as we have noted, a offices of public responsibility: they were the aristocracy China, an aristocracy of culture. The farmers, comprising the vast majority of the population, worked the small holdings in the world for the smallest returns and we held in high esteem; poets and moralists were unanimo in praise of the farmers' way of life. The artisans follow a tradition of craftsmanship two thousand years old a were respected accordingly. The traders were usua middlemen in the service of foreigners; accordingly, th were despised. At the bottom of the social scale, too few number and too low in public esteem to be counted as class, came the soldiers. To-day the ruling class is compos of soldiers turned politician and traders turned financ and banker, and of graduates of Western Universities w

e returned full of scorn for the farmers and artisans of na and full of schemes for their improvement. One s a great deal of the scorn and little of practical reform. one were to ask me who is the most inefficient person he world," wrote R. Feng, "I should answer—the nese farmer. In fact, he works day and night, snow or , using the last ounce of energy of his seven year old d, his eighty year old grandmother, his six month old key and his thirty-nine year old buffalo. Yet he can cely keep the wolf from the door. Does he deserve to praised by his neighbours as a most skilful farmer? uld he be satisfied with his present standard of living? pite of all noteworthy practices there is something funentally wrong with Chinese agriculture." The truth is would not be disputed, but no Government in modern na has proved itself stable and resourceful enough to rove the lot of the farmer.

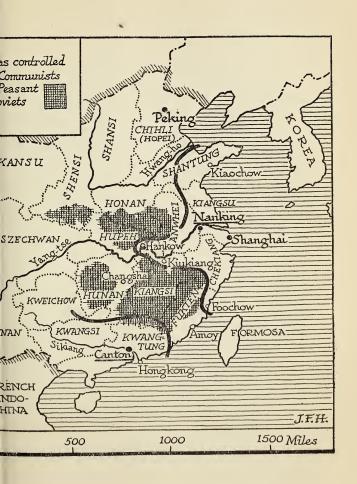
E Industrial Revolution. The first step towards imving Chinese agriculture, Sun Yat-Sen had said, was et up a native-owned industry. A great advance towards astrialization has indeed been made—and this is the obvious achievement of the revolutionary era—but key industries are still in foreign hands. Between 1920 1930 the number of cotton mills in China increased a 54 to 127, the number of factories from 673 to 1,975, in 1931 foreigners still, according to Tawney, controlled wer a quarter of China's railway mileage, over three-rters of her iron-ore, mines producing more than half output of coal, more than half the capital invested in on mills, a smaller yet not negligible proportion of that ested in oil-mills, flour-mills, tobacco-factories and ks."

The factory system is still in its infancy in China; must expect to find the conditions of over-work and er-pay which are common to every country at the

Director of the Department of Agricultural Education in the onal Association of Adult Education.

beginning of an unregulated industrial revolution. Contions differ widely of course, but we may take it that the average working day is twelve hours. There are factor in Shanghai working on a fifteen-hour day. Even miners a kept below ground for twelve hours, with two or three she intervals for meals. In wages there is no standard for conting parison with Western rates, but some idea may be given by noting that in Fushun and Kailan, the two best foreign owned coal mines, the average wage is only forty certified labour is common and female labour usual—over per cent of the industrial workers in Shanghai are workers.

It is true that the hours were no shorter and the was no higher in the handicrafts and domestic industries whi prevailed in China before machine-industry was introduce and which still prevail everywhere except in the industr towns on the rivers and the coast. But there is all difference in the world between work in a craftsman's sh and in a factory. As Tawney says: "The contrast is tl between an untidy home and an ill-conducted prison. T easy-going employer, who has worked with his men l a father with his family, is replaced by a tyrannical fo man, whose position depends on the output he gets. I pace is set, not by the older workmen, who know the cr but by the machine. The casual, half-domestic atmosph of the old-fashioned workshop, with its gossip, smoki breaks to run to the door to chat to a passer-by or take si in a street quarrel, meals shared by workmen and mas and endlessly circulating tea, gives way to factory routi without factory standards in the matter of leisure, safe sanitation and working rules, which alone make it to able." There is virtually no legislation protecting workers: the first Factory Act was passed in 1924, though there have been many since that, the Nank Government has done little or nothing to enforce the The workers have no organizations to guard their interest trade unions have been in existence since 1918 and in years of the Kuomintang's march north they were pov ful, but under Chiang Kai-Shek they were gagged.



The only Government in China which offered the workers a fair deal was that of the Sovie By 1934 Red China occupied an important place on t map of China, it had a Marxian University and an offici capital at Shuikin, in Kiangsi province, but the Sovie had not yet conquered the industrial strongholds. T movement was important for its potentialities rather th for its achievements. In place of the decaying politic family and class institutions of China, the revolution h at first put no binding force but nationalism. The nation spirit was awakened, but after the split in the Kuominta in 1927 there was no prospect of its finding expression in unified State. Nationalism offered a political idea but economic means of attaining it. Communism did at le offer China a means of liberation from economic exploi tion.

What Communism meant to the Chinese it is difficult understand; certainly it was something very different from the Marxists of Russia and the West understood Communism. To the Chinese it stood primarily for freed from exploitation by foreigners and from the anarcindividualism of war-lords, capitalists and the officials the decadent Kuomintang.

Chiang Kai-shek sent six expeditions against Sov China. Each one failed, disgracefully if Bela Kun's evider is to be believed: "The sixth expedition of Chiang K Shek, the plan for which was worked out by General v Seeckt and two other German generals, and in the prosetion of which seventy officers of the German General S and one hundred and fifty American aeroplanes many by Americans participated, has failed disgracefully. Red Armies of China have grown immensely. They have strengthened both in numbers and technically during course of one year. According to bourgeois sources number of soldiers in the regular units of the Chinese I Army rose from 200,000 in 1932 to 350,000 persons."

It must be added that Chiang's soldiers have buniformly unsuccessful against all enemies. He did

a finger to resist the Japanese invasion of Manria and Jehol. Even the battle of Shanghai was fought by Chiang's troops but by the Nineteenth Army, which South-Western Political Council sent from Canton. on the worst of the battle was over Chiang returned to command and made peace with the Japanese; the ticians of the Canton Council were outwitted and ang took credit for having defeated the Japanese, agh in reality the most he intended to do was to embroil an with Soviet Russia, or with America and Great ain.

is still too early to predict the future of Chinese Comnism, but when we remember the great passive force ch China has shown in strikes and boycotts and the it active force displayed by the Kuomintang in its sian phase, 1925–27, we must admit that it is not impable that in a form of Communism modulated to the nese tradition China will find a way out of her present rehy.

na in 1934. The revolutionary aims of Sun Yat-Sen e in 1934 a long way from achievement. The principle Vationalism was accepted by every politically conscious nese, but China was far from being a nation in the tical sense. The Kuomintang Government under Chiang -Shek ruled no more than half a dozen provinces in ern China. On his western flank lay Soviet China, tching over another three or four provinces. In the south val Government calling itself Kuomintang conducted rations from Canton. In the interior—the journey from king to parts of China takes as long as the journey from king to London—there was still no settled government Il; in Szechan two war-lords fought throughout 1933 control of the opium revenue, with losses estimated at ty thousand lives. And in the north, in Manchuria, ol, Inner Mongolia and part of Hopei, the real ruler was an.

xcept in the Soviet districts the spirit of China in

1934 was defeatist. The general feeling was that t Japanese were irresistible. And in many quarters it w felt that the Japanese invasion was a blessing in disgui The Japanese would at least raise the standard of living China; they could do what the Chinese had so far prov incapable of doing for themselves, they could modern Chinese agriculture, organize Chinese industry, put do banditry. Also they could put a curb on other forei powers; one tyrant is better than many. Japanese rule China would be better than American rule or British ru probably better than Russian rule. The Japanese w contemptible, they were "dwarf slaves," but they und stood China. And there was no need to fear that Chin culture would perish. Twice in the past China had be conquered, once by the Mongols, once by the Manchi on each occasion China had absorbed her conquere Chinese culture survived intact—"the dog it was t died."

The principle of democracy was equally far fr realization in 1934. Dr. Sun's ideal was government for people and by the people. The Nationalist Governm claimed to be a democracy, but in effect it was a pa dictatorship of the Kuomintang under Chiang Kai-Sh There were no elections. The Government was the Kuon tang. If Sun Yat-Sen had been alive he would have s that the revolution was in its second phase, the phase political tutelage. In that period the Party should h been educating the people in self-government in the T vinces which it controlled. Actually it did nothing of sort. The rulers made no move to prepare for the th period of the revolution, the phase of constitutional gove ment; they used their power to line their pockets, and t pens to sign impracticable programmes. The local brance of the Kuomintang, unchecked by headquarters, because notorious for arbitrary injustice and extortion.

As for Social Justice, the third principle, we have to how far that ideal is from realization in contemporation. There can be no social justice until some form

e government is established. Judged by Western lards China has no stabilized government or adminion. Taxes are not collected, crimes are not punished, are not enforced. The people are still a prey to floods famine and tens of thousands of men turn soldiers y season in the hope of being led to a province where is abundant. The rivers and ports are still policed by gn gunboats and occupied by foreign armies.

t in spite of all this the prospect for China is full of . Her revolution has achieved the breakdown of a literary language and the beginning of a literary ssance, the grafting of Western ideas upon the stem of ese culture, a determined resistance to foreign exploitaa freedom from moral bonds of filial duty, a realizaof the right of the individual to lead his own life and beginning of a realization of a means of combining idualism with the common good through Soviet ods. For the first twenty-five years of a revolution ting 400 million people this is no mean achievement, if Western opinion is inclined to deplore the anarchy intemporary China it is well to remember that the ution China is undergoing is a combination of those esses which the West calls Renaissance, Reformation Industrial Revolution.

VI: INDO-CHINA AND THE EAS INDIES

THE REFORM MOVEMENTS of India and China habeen echoed in the countries of the Indo-Chinese peninsu. These countries are colonies of England and France. Or Burma England cast her shoe and Malaya is her wa pot. France seized Indo-China. Only Siam preserved nominal independence from the West; Siam it must remembered is less rich in rubber and tin than Malaya.

Burmese Separatism. The movement against West control took a different form in each of the Indo-Chin countries. In the French colonies of Annam, Tonki Cochin-China and the Protectorate of Cambodia it nipped in the bud before our period begins, and in post-war years the 20 million people of French Indo-Ch were happy in having no history. In Burma the movem appeared as an agitation for separation from India. Th was no reason except the accident of conquest why Bur should be counted part of British India; the Burm are distinct in race and religion from the Indians, t have a different social structure—no caste system and seclusion of women—and their country is separated fi India by an almost impassable mountain barrier. Yet Montagu-Chelmsford Report recommended that Bui should continue to be administered by the Governmen India. The Reforms of 1919 were not applied to Burr it was 1923 before Burman agitators won concessions wl gave native ministers the control of certain "transferre subjects and this did not amount to much, for the minis were appointed by the British Governor.

then the question of Dominion Status for India came on apis the Burmese demanded separation. The prospect emporary British rule was tolerable; the prospect of nanent Indian rule was not. They won from the on Commission the recommendation that Burma should diministered as a separate colony. This led to a Burma and Table Conference which produced from the British ternment a new proposed Constitution. Considerable ers were reserved to the British Governor, but the nans were assured "that it would be the endeavour of Majesty's Government to insure that these powers shall prejudice the advance of Burma to full self-governt."

of Absolute Monarchy in Siam. On the post-warry of Siam liberal-minded Europeans can look with ter satisfaction. Siam, or to give her her native name, ng Thai, the Kingdom of the Free, was an independent e under an absolute monarchy. The freedom of the tese had been whittled away by successive annexations er borderlands to French Indo-China and to British aya and was severely curtailed by treaties of extratoriality. By these treaties the European nations were to bring their subjects in Siam under their own law-ts and out of control of Siamese jurisdiction: they ed the treaties by extending this extra-territorial lege to other foreigners, even to the Chinese labourers were pouring into the kingdom in ever-increasing bers.

the World War Siam, sandwiched between British and ch possessions, had no choice but to join on the side of Allies. She postponed her entry till July 1917 and ned her activities to interning Germans and confising German shipping. Her participation earned her this ard: at the Peace Conference Germany and Austriagary were made to sign away their extra-territorial is. The whole principle of foreign juridical rights was ermined by this. Siamese legists were at work on a new

legal code; now that they had the example of the Austi German renunciation before them, there was no excuse foreign Powers to insist on separate law-courts in Siz once this code was finished, so the United States gave its extra-territorial rights in 1920, and by 1926 Fran Great Britain and the Netherlands had done the san Chinese Nationalists were not slow to point the moral this: if the Powers could recognize the sovereignty of c Eastern Government they could recognize the sovereign of another. But the Powers refused to admit any paral between a small unified State of 10 million inhabita where the tin and rubber industry was in its infancy a a vast sub-continent of 400 millions whose industr resources were infinite and where there was no stall Government at all. Great Britain had particular reason looking on Siam with a benevolent eye; the teak indus was in British hands and the autocratic monarchy v strongly Anglophile. The only fact that Britain overlook was that a strong national movement was fermenting Siam and its leaders were looking to Canton and not London for inspiration. A young Siamese lawyer, who l been educated in Paris, Luang Pradit by name, v rapidly winning a large following among natives who w discontented with the royal autocracy. In June 1932, wl King Prajadhipok was absent from the capital, so regiments of the army rebelled and Luang Pradit presen the King with a constitution which he had perforce accept. A National Senate met and it seemed that the day despotism in Siam was over. But the course of true libe did not run smooth; in April 1933 the forces of react organized themselves and the Senate was dissolved a Luang Pradit expelled. A second coup d'état followed months later and the Senate met again and Pradit return Again the reactionary forces struck, but this time Constitutional Government was strong enough to overopposition; it suppressed the right-wing insurrection October 1933 and Luang Pradit took the helm. The C stitutional Government was not a parliamentary democra

h was organized on the lines of the Kuomintang and wed a Nationalist and Socialist policy. If the ints of any foreigners were favoured they were not to of the British strangers but those of the Chinese ns—and it is worth noting that one-sixth of the lation were pure-bred Chinese. And if some sort of gn imperial penetration were inevitable the Siamese rred the claims of Japan and her Asiatic "Monroe rine" to the claims of Great Britain.

Naval Base at Singapore. The British could afford augh at the naissant nationalism of Indo-Chinese tries and at the imperialistic ambitions of Japan in the n-western Pacific, for the British held Malaya. Not is Malaya an unequalled source of rubber and of tin, Singapore, the island at its foot, is the key to the ic, as valuable a key to the west of the ocean as Panama the east. Singapore is the cross-roads between Suez China and Japan, between India and Australia and Zealand. As Sir Stamford Raffles wrote in 1819, when nnexed the island, "It gives us the command of China Japan, with Siam and Cambodia, to say nothing of East Indian) islands." The British Government in the war years was fully alive to the importance of Singa-In 1921 Parliament voted £,10,500,000 (a grant h was subsequently reduced to £7,700,000) to make it reatest naval dockyard in the East. The reason for this admirably explained by the First Lord of the Adlty in a speech in Parliament on March 18, 1924:

"Singapore is essentially in a British part of the orld. It is actually the point of one of the richest and ost progressive parts of the Empire. It is the key to the dian Ocean, round which lies three-quarters of the dian Ocean, round which lies three-quarters of the dian territory of the Empire. The great Southern ominions, India and our East African possessions lie and that ocean. Three-quarters of the population of the oppire is around it also. We have not a single base in all

that vast ocean in which a modern ship could be fitted repaired. . . . There passes through that ocean every year something like $\mathcal{L}_{1,000,000,000}$ worth of our traff and a great deal of other traffic belonging to the rest the Empire."

Nationalist Revolt in the Dutch East Indies. It remains for us to consider the history of the two great island grou which are included in the unit known as the Far Ear The search for oil and rubber which is the outstanding feature of the industrial revolution in the early 20th centu has made the islands of the Dutch East Indies and of the American Philippines an important factor in the wor economic system, for the best petroleum in the world com from Borneo, and it has been said that the potential rubb resources of the Philippines are capable of supplying t whole demand of the United States. Politically the islan have acquired a new significance with the appearance Japan as the third naval power in the world and with h claims to leadership in the Far East. In the islands the selves native leaders were aware of the prospect of inter development—which they called exploitation—by Weste imperialists, and a movement for autonomy rose both in t Dutch East Indies and the Philippines.

The Dutch East Indies have a population of over millions. In the inhabitable areas the people are as dense crowded as in Japan and China, and as poor. The Dutpromised that industrial development would bring the relief, but the introduction of the factory system in Java a Sumatra made the Dutch rich and left the natives as peas ever. The Javanese were Moslems and excited by ne of the war-time revolt of the Faithful in the Middle East as neighbours of China they had another example of emacipation nearer home, in the Chinese Revolution which he its headquarters at the southern port of Canton. The Dutch were as well-intentioned as the British towards the Eastern subjects and in 1916 the States General at Hague promised the East Indies much the same programment.

rds self-government as the Westminster Parliament nised India in 1917. Good intentions paved the road olitical hell in the East Indies as in India. The Dutch p a Volksraad or People's Council in Batavia, but the ders protested that it was neither the People's nor a ncil in any effective sense. And they were right: the rity of the members of the Volksraad were not elected esentatives but foreigners nominated by the Dutch; the powers of the Volksraad did not extend to finance, h together with the ultimate authority on all important tions remained with the States General at the Hague. ation forced the Dutch to make concessions; in 1925 granted a new Constitution to the Indies, allowing the ves to elect 38 out of the 61 members of the Council. as too late now for minor concessions. Revolution was e air of the tropical East; already the Kuomintang was nning its great march north from Canton. In 1925 there strikes in the East Indian industrial centres; riots e out in Java in 1926 and in Sumatra in the following . The Dutch suppressed the risings with a heavy hand tried to quieten their conscience by persuading thems that the disturbance was the work of a few Comist agitators. Yet though a thousand of the latter were ned in New Guinea the Nationalist movement went By its activities a National People's Bank was estabd and a National Educational Institute set up which some forty boarding schools to give children an onesian instead of a European education—the motto te schools was, "A craftsman who makes beautiful and ul objects is much more valuable than a clerk." An mpt was made to follow Gandhi's lead in India by enaging the domestic manufacture of goods which were Ily imported. But in 1934 the Nationalist Movement won no showy success though it began to be borne in n the Dutch as upon other European imperialists in the East that their dominion could be continued only on lition of giving the natives a real voice in their own rs and of developing the resources of the islands at least as much in the interests of the natives as of bon holders in the "mother" country.

The Philippines and the United States. To find t clearest example of the discontent with Western imperialis which has broken out all over the Far East in recent year and of the conflicting principles which have been reflect in the policy of each imperialist Power we must go to t Philippines, those 7,084 islands which form the norther most group of the East Indian Archipelago. The Unit States took over the Philippines from Spain in 1898 a found themselves confronted with much the same proble as the British in India. Like India the Philippines we 3,000 miles away from the capital of the "Moth Country," like the Indians the inhabitants were par Moslem, partly Hindu, and had no common language. I intentions of the Americans were as good as those of English and the Dutch: in the preamble of the America "Jones Law" of 1916 it was announced: "It is, as always has been, the purpose of the people of the Uni States to withdraw their sovereignty over the Philipp Islands and to recognize their independence as soon a stable government can be established therein." Americans did not make the English and Dutch mist of going too slowly on the way to colonial self-governme In Barton C. Harrison they had a governor who rebelieved in the policy of "The Philippines for the Filipine When Harrison's governorship ended in 1921 only 4 cent of the members of the government service in islands were Americans, and the Filipinos were in ruling themselves. They had carried out some excell reforms, particularly in public health and primary edution-departments in which British, French and Du colonial Governments had much to learn. In 1920 Presid Wilson was able to remind the United States Congress "the people of the Philippine Islands have succeeded maintaining a stable government since the last action of Congress in their behalf, and have thus fulfilled the condi by the Congress as precedent to a consideration of ting independence to the islands. I respectfully submit this condition precedent having been fulfilled, it is now liberty and our duty to keep our promise to the people tose islands by granting them the independence which so honourably covet."

it American opinion on the question of the islands had nged completely since the war. In view of the emergence apan as a great naval Power in the Pacific and of the equent threat to America's cherished policy of an door for trade in the inexhaustible markets of China, rong station in the Philippines seemed a positive ssity for the United States. What is more, American ness men had awakened to the possibilities of the ds for economic exploitation. So the American policy reversed; all question of Philippine independence was side and in place of easy-going Harrison, General Wood made Governor, and the islands remained under the inistration of the War Office of the United States. eral Wood, who was described as "a man with a ary mind surrounded by men more military-minded himself," swept away parliamentary government and he Filipinos under the strong hand of Americans.

nere was much to be said for the change. The rule of the inos in Harrison's days had been corrupt, as the rule y people who have been debarred from self-government accessive conquerors for many centuries is bound to be, governing class was the middle class, the caciques, were really no more than a clique, for they formed at the most only 6 per cent of the population. Their main est was usury and there is no doubt that they oppressed beasants. Furthermore they were Roman Catholics and no sympathy for the Moslems who inhabited the tern islands. It is certain that the Moros (Moslems) glad to see the Americans take control again, and it is ble that the inarticulate peasantry preferred American ency to the methods of their own caciques.

t politically-conscious Filipinos were up in arms.

Americans had betrayed their trust. Having once tasted t sweets of liberty the caciques were not ready to subn to a military dictatorship. The crisis in the Philippir came in 1926, when rioting was breaking out in Ind when the Chinese Nationalists were laying hold of t Yangtse, when the Javanese workers were in rebelli against the Dutch. General Wood had little difficu in putting down the rising. The fair promises President Wilson's days were repudiated. In Decemb 1926 General Wood expressed the new American pol in a few brief words: "Philippine problems are part America's Pacific problem, which concerns not only Philippine Islands, but also America and other Power Its solution can never be achieved by the chatter of ag tors. It is not a one-man job, but must be worked out, only in accordance with the wishes and interests of Filipinos, but of other countries. When her task is do America will say so. Until America says so, her tasl unfinished. We are now opening the gates of a new of an era of economic expansion for the Philippines. Polit independence cannot survive until complete econo independence has been achieved."

This remained the attitude of the United States unings when a bill was passed by Congress to allow Philippines total independence by about the year 19 This Independence Bill was vetoed by President Hoo but it came forward again and was signed by Preside Roosevelt in March 1934. The United States agreed to sup its army reservations in the Philippines; the question

their naval bases was left for later negotiation.

Conclusion. The Far East is in revolt. From Bom to Manila, from Peking to Batavia the standard of independence has been raised in the post-war years. Every year seen a clearer realization among white men that the to of the East is necessary to European prosperity, every has seen a clearer understanding among the yellow respectively.

I the brown that self-government is the only condition which they can continue to trade with the West. The tre of the revolt is China. If the Western Powers can abine to help the Chinese in their efforts to establish a government and to set up industries of their own able of raising the standard of living, so that Chinese can from and sell to the West on terms of mutual advantage, in a new era will begin in which the two great culture-ups of the world, the East and the West, while preserve the vital characteristics of their own civilizations will hange their physical products and their spiritual and ral conceptions, to the world's immeasurable benefit. Japan must be consulted about that.

The attitude of the East to-day—if such a generalization permissible—has been well expressed by the best known Eastern poets, the Indian Rabindranath Tagore:

"Those who live in England, away from the East, have of to realize that Europe has completely lost her former noral prestige in Asia. She is no longer regarded as the hampion throughout the world of fair dealing and the xponent of high principle, but rather as the upholder of Vestern race supremacy and the exploiter of those outlide her borders.

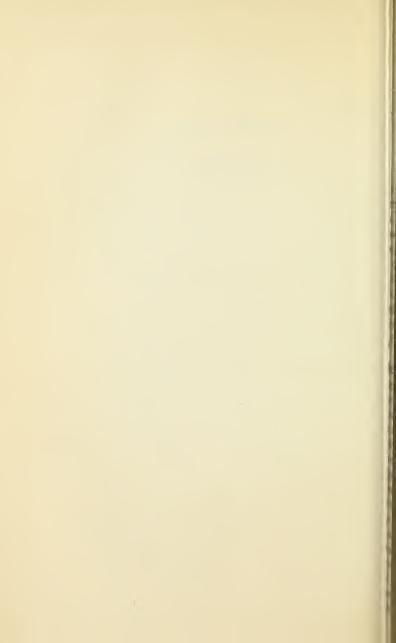
"For Europe it is, in actual fact, a great moral defeat hat has happened. Even though Asia is physically weak and unable to protect herself from aggression when her ital interests are menaced, nevertheless she cannot afford to look down where before she looked up.

"Meanwhile let it be clearly understood in the West hat we who are born in the East still acknowledge in our heart of hearts the greatness of European civilization. Even when in our weakness and humiliation we aggresively try to deny this we still inwardly accept it. The rounger generation of the East, in spite of its bitterness of oul, is eager to learn from the West, and to assimilate he best that Europe has to offer."

¹ Manchester Guardian, May 17, 1930.



PART FIVE AFRICA



THE FRENCH EMPIRE: DIRECT RULE

THE STREAM of twentieth-century history Africa as something of a backwater. Before 1935 it was not in news like Arabia or the Far East. The Western public rd perhaps of a diamond found in the South, or of a achman performing prodigies of valour in the North, of increasing quantities of cocoa and tobacco bearing an can label, but that was all. Africa seems a backwater; under the surface the current is flowing strong and dark, it is the same current that has revitalized the Asiatic ples, the same movement of revolt against the West, y not yet come to the surface.

Bono? A century ago Africa except for the coastal ons was unknown to the West. Not till the latter part of nineteenth century did the industrialized nations of ope become aware of the possibilities of the continent source of raw materials. And then began the grab for ica which ended in the subjugation to white rule of ry country from Morocco to the Cape—with the inificant exceptions of Liberia and Abyssinia which ained nominally independent. There was a great deal alk about the White Man's Burden and his responsibility bringing sweetness and light to darkest Africa, but the motive was the exploitation of African men and raw terials in European interests. Most of the imperialist vers were quite frank about this. The Governor-General the Belgian Congo issued a Circular in 1906: "In ihilating the prestige and authority of the native chief, policy ends in leaving the State face to face with a

population freed of all social liens and without any attachment to the soil "—in other words a huge black proletaria Portugal partitioned her South-East Africa among for concessionaire-companies who became proprietors of the land and of the natives. The Germans held a Colonia Congress in 1902 and made a definite statement of the African policy: "The Colonial Congress thinks that, it the economic interests of the fatherland, it is necessary trender it independent of the foreigner for the importation of raw materials and to create markets as safe as possib for manufactured German goods. The German colonies the future must play this double rôle even if the natives at forced to labour on public works and agricultural pursuits

As a matter of fact the German bark was worse than i bite. The Germans in Africa were fair, efficient and corparatively popular; they maintained public medical ar other services, upheld peasant proprietorship and workelargely through native officials. In 1914 it was German who proposed that Africa should be excluded from theatre of war and the Allies who ignored the propose In the Cameroons, in German South-West Africa and German East Africa white men led blacks to fight again each other; "in four years, more African natives had be killed or died of disease as a result of a white war than forty years—perhaps a century—of the old primitive was fare of the blacks." Meanwhile private arrangements we made among the Allies for the partition of German colonies among themselves.

Three Methods of Government. After the War the iperialist powers began to see the African problem in new light. Humanitarian sentiment demanded that son thing should be done for the good of the natives and so, the Peace Conference, though the Allies took German old colonies, they took them not as annexations but Mandates, agreeing in the League Covenant that "in the countries there should be applied the principle that i

¹ Professor J. Huxley in Africa View.

Il-being and development of such peoples form a sacred st of civilization." It was on this understanding that ince accepted a Mandate for Togo and Cameroon, Great tain for West Togoland, for Western Cameroons and for nganyika, and the Union of South Africa for land that I been German South-West Africa.

For economic reasons too the white exploiters of Africa re beginning to realize that the natives' interests should considered. Forced labour is the most wasteful of all ms of labour. If the native is to become an efficient ourer he must be trained, given some education and ent living conditions. But if the native is given some leation he will begin to insist on managing his own affairs I the way he manages his own affairs may not be always the immediate interests of the white man. There lies the blem.

t was the same problem that had faced capitalists a tury ago when the industrial revolution was in its first oes in Europe. Employers had found that untrained rkers living on the starvation line were inefficient. On other hand educated well-paid workers were expensive I difficult to handle. Three ways of dealing with the blem were possible. The first was to link the two classes, ployers and employed, in a common national spirit ich would make them forget their economic differences fighting for a common political cause; this was atapted, not unsuccessfully, by Napoleon. The second was give the employees education and a measure of control their own affairs in such a manner that they would lize that the interests of the two classes were not condictory but complementary; this was the Liberal, ial Democratic ideal. The third was to isolate the two sses still further, securing obedience by denying political hts to the employees and efficiency by granting them a le purely vocational training and some concessions in the tter of wages; this was attempted wholeheartedly in rist Russia and half-heartedly in West European ions.

In Africa all three solutions were attempted in the power period. France tried the first—the system of Dire Rule—offering the right of French citizenship and the du of military service to her African subjects. Great Brita in such of her colonies as were unsuited to white settle tried the second—the system of Indirect Rule. In colonisuitable for white settlers Great Britain and the Union South Africa applied the third—which in its African aspenay be called Settler Rule.

The Sarraut Plan. The French came suddenly awa of the possibilities of their Colonial Empire during t World War. Before the war Frenchmen knew vaguely th they held Africa from the Mediterranean to the Nig and Madagascar and the Antilles and Indo-China, b they regarded these colonies as a nuisance—an outlet French heroism perhaps, but an inordinate drain on Fren finances. The war brought the Empire home to Fran-Nearly two million colonial troops were raised, includi 680,000 fighting men. It was realized at last that the Emp had possibilities, and a scheme for utilizing them was t forward by M. Sarraut. "France," he said, "organizi her future on the most powerful foundations must dema from her colonies and protectorates men for the Arn money to lessen the budgetary expenses, raw materials a products for her industry and commerce, food and change." This was the attitude that had guided Brit imperial policy in the seventeenth century and Japan in the twentieth. In detail M. Sarraut's scheme worked as follows: "the colonial world was roughly divided is groups, each of which was assigned a certain range products and provided with facilities for an intensive a extensive development . . . West and Central Africa h to give oils and timber; West Africa had also to follow Gold Coast in providing cocoa and had to stress cotton the Niger Valley: North Africa had to concentrate foodstuffs and phosphates: Indo-China in addition to rice was to provide cotton, silk and rubber: Madagas

I to give meat and grains, and the Antilles sugar and fee. The products of each were to go into the great ional pool. Work was apportioned so that it would duce the maximum result, and, really, the whole Empires to become a huge factory using every device of instrial specialization."

The success of the Sarraut scheme obviously depended two factors: the willingness of the natives to co-operate, I the willingness of the French Government to invest ge sums in the colonies.

First the willingness of the natives. The French made ery effort to get on well with the Africans. Their Civil rvants studied not only African languages but African thropology and religion in the École Coloniale before they nt out. Once in Africa they made no attempt to form class apart; they felt it in no way ignominious to "go tive" and to share their social life with the people of country. "The ideal of the best French administrators," cording to Toynbee, "was to make it possible for any dividual African, who gave proof of capacity, to particite in Western culture to the fullest extent of his powers. enerously free, as she was, from prejudices of race and igion, France was willing to open her doors wide to every anger, whatever the colour of his skin, who was able, in e spiritual sense, to stand on French soil." The primitive oples of West and Equatorial Africa responded quickly to is treatment. Their tribal organization was weak, their aditions dim; they were flattered by the Frenchman's terest in them, flattered by his marrying their girls, nused to play at adopting his way of life and at fighting his army. It did not seem out of the way to them that ey were subject to orders from Paris—the French Civil rvant was subject to the same orders. They were offered izenship in the French nation and though very few of em took advantage of the privilege they were pleased by e offer.

¹ S. H. Roberts in French Colonial Policy.

Tunis and Algiers. French policy in West and Equatori Africa might have been an unmitigated success if monhad come from Paris for the grandiose schemes of publ works and economic development. But it did not come. The reason for this was partly the traditional reluctance of the French to pay taxes and partly the fact that France ha completely failed to win the goodwill of the natives of Nor Africa. Here Islam was still a potent force. The Moslems Tunis, Algiers and Morocco were anything but flattered by French attempts to fraternize with them. They co sidered their own civilization equal and their religion i effably superior to anything France had to offer. Co sequently the French were thrown back on force, and the money which should have gone to the economic develo ment of her African Empire was frittered away in milita expeditions.

Tunis had been a French Protectorate since 1881. Un 1914 French colonization had proceeded smoothly, b during and after the war the Egyptian Nationalist Mov ment found an echo among the Tunisians. In 1920 th demanded universal suffrage and equal rights with Frenc men. The French were in a difficult position; they ha 54,000 settlers in Tunis and did not dare to come to blow with the natives, particularly because there were no lo than 85,000 Italians in the colony and Italy was waiting to make France's misrule in Tunis an excuse for interve tion. So France hastened to meet the Nationalists half wa setting up Economic Councils (in 1922) through which natives could co-operate with Frenchmen in the agricultur development of the country. Gradually the talk of econom boycott and the anti-French manifestations in the street died down. France could breathe again; Direct Rule h: not been established in Tunis but through the new Council natives and colonists were finding that they had at lea economic interests in common.

In Algiers there was no Nationalist Movement, no reblion. In 1921 France had allowed the natives a small shain local government and after that Algiers was quiet. T

ench had been in Algiers for a century and during that he had bound it hand and foot to Paris. Algiers was litically almost a French *Préfecture* where 831,000 Western onists (400,000 of direct French descent) lived on the four of five million natives. A naturalization law of 1919 ered the Algerians French citizenship. They were subject French law. France seemed to contemplate absorbing gerian Moslems into the nation as completely as they had sorbed the Langue d'Oc. She was disappointed. The tives did not respond. Agriculture did not prosper—ports dwindled after 1920. Algiers was quiet.

autey and Morocco. It was Morocco that was bleed-France white. From the beginning it had been a diffi-It conquest. Germany had opposed French expansion ere and the local tribes and the mountain barriers made netration slow and difficult. In 1914 France seemed to ve decided upon the evacuation of Morocco; the Governent ordered Lyautey to send back two-thirds of his force d to retire to the coastal region: "The fate of Morocco," ry said, "will be decided in Lorraine." But Lyautey had Nelson touch; he sent back the men he had been asked , but instead of retiring to the ports he left the coast unfended and sent his depleted forces up to the mountains press the offensive against the tribes. The bluff suceded; the ports were not attacked, in the settled zone tives and French civilians got on well together and vautey subdued the hinterland as far as the Middle Atlas. ne war in Morocco cost a great deal of money but perhaps was not ill spent, for Morocco in 1919 was more settled an it had ever been.

Lyautey, like all soldiers of genius knew the limitations of litary force. His object in Morocco was not conquest but cification, not the subjection of the people but the orderly velopment of their ordinary economic life; "Our emies of to-day," he often said, "are our collaborators to-morrow." The forts and garrisons he established were t strongholds against the Moroccans but strongholds for

them, market-places where orderly trade could be carrion without fear of raids from hill-tribes. His conception the Moroccan Protectorate was nearer to the English id of Indirect Rule than to the orthodox French policy centralization and assimilation. "The Protectorate," sa Lyautey, "means the economic and moral penetration a people, not by subjection to our force or even to o liberties, but by a close association, in which we administ them in peace by their own organs of government, as according to their own customs and laws."

It was not Lyautey's fault that France in 1925 becar involved in a new and more terrible war in Morocco. T fault was Spain's. France's western zone of Moroc marched with the Spanish zone. The inhabitants of the mountainous country on both sides of the border were r Arabic-speaking Moroccans but Berbers, members of white race which had never been assimilated to Weste or to Arabic culture. Superficially they were Moslems b they had no use for Islamic law or for Arabic, the langua of the Koran. Lyautey had outlined a separate policy wards the Berbers, intending to preserve their particul organization and their Berber language. The Spaniar took a simpler line—their ideas of colonization had r changed much since Cortes trapped Montezuma a conquered Mexico; they set out with all the King's hor and all the King's men to storm the Berbers' fastnesses the Rif mountains. This policy exacerbated Berber Nation lism. In 1921 the Rif rose against Spain and broke Span dominion over the zone. Expedition after expedition v sent from Spain and shattered itself against the resistance the Rifis. Berber Nationalism spread to the French zo and in 1925 the Rif declared itself an independent State

The story of the Rif war of independence will be a pole résistance for some romantic historian. The untain tribesmen who had defied the onslaughts of Islam a Christendom throughout the centuries, the towering mot tains among which they fought, their leader Abd-el-Kr who made them more than a match for the combined for

modern weapons of France and Spain, the English tain, Gordon Canning, who took up the cause of Rifependence as ardently as Lord Byron had espoused the se of Greece a hundred years ago—it is the stuff that is are made on. Of course the Rifis lost; Abd-el-Krim rendered to the French in April 1926. But the rising was without effect: the Spaniards began to apply Lyautey hods in their dealings with the Rifis. As for France, she lost more money in the war than her taxpayers cared contemplate; she tightened her purse-strings and every such colony suffered for the costliness of military expedits in Morocco.

feanwhile Lyautey had resigned and a less dynamic ninistrator was sent to consolidate his economic gains in rocco. On the coast, in the plains and the Atlas foothills re was peace and security, roads were laid down (there e 3,000 kilometres of roads in 1926 compared with 18 metres in 1913), and the port of Casablanca was exded to deal with 70 per cent of Morocco's export trade. rocco began to pay the cost of its own internal adistration. But it was the French taxpayer who had to the military bill; and that meant that there was no ney for the Sarraut scheme.

rance failed in her attempt to make her African possesses an economic hinterland of Paris. The unrest in Tunis, policy of native refoulement in Algiers, the constant wars Morocco made those regions increasingly unattractive to type of French settler who might have developed their purces most profitably. West and Equatorial Africa, wed of capital, developed only very slowly. In spite of rapturous enthusiasm for the Exposition Coloniale held at reseilles in 1922 and the rather less rapturous enthusiasm the Exposition at Paris in 1931, scarcely one-tenth of nch imports were coming from the colonies; and each ceeding year showed France less and less able to devote ney to colonial development.

II: THE BRITISH EMPIRE: INDIRECT RULE

THE BRITISH IDEA OF COLONIES is diametrical opposed to that of the French. The French Empire is or single organization, the aim being to make each colony soon as possible into a French département. The British Er pire is a number of different organisms, the aim being make each colony a separate society, with a spirit and a li of its own. To French colonial statesmen unity means ur formity, to British it means co-operation between individu organisms. Consequently the French method has been mix with the natives of their colonies, to fuse them in French civilization, and the British have set themselv against mixing, above all against inter-marriage wi natives; they have remained a caste apart. On the politic plane the French method had meant centralization, t British method de-centralization, control being left to t Englishmen on the spot. On the economic plane the Fren method has been to subordinate the colonies' interests those of France by means of tariff control, while the Briti have been more inclined to consider the economic intere of each individual colony. But the interests of the colo does not always mean the interests of the native African Britain's grab for Africa gave her many districts suital for white settlers, and in these districts the interests of t colony has been taken to mean the interests of the settle

Three British Protectorates in South Africa. Let take the unsettled areas first. Half a century ago Gre Britain extended her official protection to three areas the south of the continent: Basutoland, Bechuanaland a

ree british protectorates in south africa 367

aziland. When the Union of South Africa was formed se Protectorates remained under British rule though y were surrounded by the territory of the South African minion. The British policy was then to preserve the chority of the native chiefs and to leave the tribes to find ir own way towards civilization; and this policy has

nained the same to the present day.

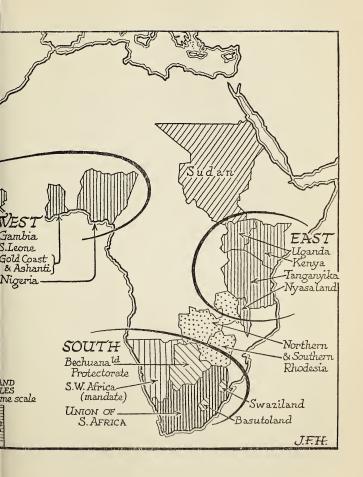
Basutoland is inhabited by one single Bantu tribe numing half a million people who hold, on an average, fifteen es each. The land is divided into strips and held on age custom as was the case in early mediæval England. e ruler is the Paramount Chief, who is aided by a tional Council to which he appoints ninety-five members the British Resident Commissioner appoints five. This tish official exercises no interference in native affairs, ough he imposes a tax to pay for roads, schools, hospitals d the expenses of his administration. The tax was twenty llings per hut until 1920, when the Resident Commisner, in face of spirited opposition by the National uncil, raised it to twenty-eight shillings. A tax is also ied on polygamy, a man being obliged to pay twentyshillings for every wife after the first. In 1927 an addinal tax of three shillings per adult male was imposed to vide more schools.

In Bechuanaland the position is much the same, except at there are many distinct tribes and also enough white there are many distinct tribes and also enough white there to justify the formation in post-war years of a ropean Advisory Council. The British exact a tax—enty-five shillings until 1932 when it was raised to enty-eight shillings—but the native chiefs have the right collect additional revenue on their own initiative. (In 30 Chief Tshekedi of the Bamangwato demanded the yment of an ox from each of the tribesmen to defray the penses of his journey to England.) The natives are isfied with the Protectorate and dread nothing more than at Great Britain should surrender it and hand them over the Government of the Union of South Africa. The tish exercise a minimum of interference, though an

unfortunate exception to this policy was made recent when an Acting Commissioner rushed armed marines ar howitzers in Chief Tshekedi's territory to punish him following flogged a white settler for dissolute behaviour.

In Swaziland the position is complicated by the present of a greater proportion of white men who between the own two-thirds of the land. But here too the policy of the British has been, on the whole, to preserve the authority the native chiefs and the maintenance of their tradition tribal customs. British protection has saved the three nativ countries from tribal war. It has had only one seriously ev consequence. Under the Pax Britannica the native popul tion has increased rapidly—in Basutoland it doubled itse in the first twenty-one years of this century-and the lar is not fertile enough to support the people by existing methods of cultivation, let alone to raise the surplus nece sary for the increased taxation. Large numbers of men har to leave their villages and stads every year to work on t farms and mines of the South African Union. Here th come into contact with foreign manners and ideals and their return bring immorality and discontent into the home society. Great Britain is faced with the alternati of spending money on improving the primitive agricul tural system of the Protectorates or of allowing the me folk to merge more and more into the proletariat of t Union. In either case it will mean more interference wi the lives and tribal customs of the native. At last it is being realized that exercising a Protectorate must involve positi as well as negative action.

Indirect Rule in Nigeria and Tanganyika. A more d namic interpretation of Indirect Rule was applied by Lo Lugard in Nigeria before the War of 1914. He left t native system of government intact and used Briti officers as advisers and co-ordinators rather than as rule He laid heavy restrictions upon non-natives, particular with regard to their right to acquire land. But he himself to cure inefficiency and economic stagnation a



succeeded so well that there was a revival of the sens of communal responsibility among Nigerians and a morrapid increase in agricultural production and in commerce. In 1918 the British Government made its last grant to Nigeria; the country was economically self-supporting

After the War the policy of Indirect Rule as Lord Lugar understood it was extended by the British to their Mandate Territory of Tanganyika. Here the difficulties of its applica tion were much greater. The Nigerians had a develope administrative system of their own, powerful Emirates an Moslem traditions that made for order—at least within the confines of each individual tribe; by comparison the natives of Tanganyika were primitive, their institutions wer weak and their tribal discipline had been vitiated by the German system of ruling through paid native headmen, system under which the native had come to look on h chief as an extortionate agent of a foreign Power rathe than the national defender of his own interests. Nothin would have been easier than to impose British methods government upon the natives, nothing harder than to guid them to re-create their own. Little was done until 1925 bu in that year Sir Donald Cameron became High Commit sioner and began to apply to Tanganyika the method which had been so successful under Lugard in Nigeria "It must be clearly understood," said Sir Donald, "that the policy of the Government is to maintain and support native rule (within the limits laid down) and not to impos a form of British rule with the support of native chief which is a very different thing." The chiefs were no appointed by the Government: instead the right of each tribe to its own hereditary or elected chief was recognized Taxes were not collected by the Government: instead the native authorities collected their own taxes and paid ther in to native treasuries; a percentage went to the Britis Central Government to defray administrative expenses an out of this a sum was refunded to the native chief for the salaries of his own officials. Law was not administered i British courts: instead the native courts were revived in ich customary tribal law was administered; the only erference from outside was the right of British District ficers to examine records and to have sentences revised I causes reheard should they think fit.

The system did not work perfectly; British officials were en officious and the British Council was not always wise the expenditure of its revenue—it devoted, for example, huge sum to the building of a Government House at r-es-Salaam and neglected the scientific and medical vices which had been so well conducted under the rmans. But on the whole it was a success. Instead of stroying the native civilization, British rule had helped to revive. And an honest attempt had been made to fil the terms on which the Mandate had been accepted, mely that "the Mandatory shall be responsible for the ace, order and good government of the territory and shall dertake to promote to the utmost the material and moral Il-being and social progress of its inhabitants . . . and all prohibit all forms of forced and compulsory labour, cept for essential works and services, and then only in urn for adequate remuneration."

ttler Rule in Kenya. The success of Indirect Rule in Inganyika can best be judged by comparing the condination of the neighbouring colony of Kenya. Here there is a lt of high land, connected with the sea by the Uganda-ombasa railway, which is particularly suited for European tlers. The Europeans do not number many more than renteen thousand—not more than one to every two indred native Africans—but the British Government ose to administer Kenya in their interest. The settlers in Kenya for profit; they can make profit only if they we a large supply of cheap native labour at their disposal d the exclusive right to the best land in the colony. To cure that cheap labour and that land a series of restrictions were placed upon the native.

First the tribes were denied all right to the 16,000 uare miles of highland and were confined to Reserves

where the land was so poor and conditions so cramped tha men would be bound to work for part of every year on the European settlements outside the Reserve to earn enough to keep their families in the necessities of life.

Secondly the native was denied any voice in the administration of the colony. The Government Council consisted of the British Governor and twenty official members eleven Europeans elected by the settlers, five Indians, two Arabs and one Christian missionary. The function of the last-named gentleman was to represent the interests of the natives; he was nominated by the British Governor. The composition of this Council was subject to alteration but the changes were in the direction of increased representation of the settlers who, as we have said, were least sympathetic to the Africans.

Thirdly the natives were heavily taxed and the mone instead of being devoted exclusively to native interests wen in part to pay for the education of white children and fo the provision of medical and agricultural advice to whit settlers. "At the moment, for instance, in Kenya," wrot Professor J. Huxley in 1931, "direct native taxation is it the form of a hut-tax of twelve shillings per hut (i.e twelve shillings for each adult man and for each of hiwives), or for de-tribalized natives a poll-tax of twelve shillings. Europeans pay a poll-tax of thirty shillings and a education tax of thirty shillings—£3 in all. The Government's expenditure on native education in 1925 is stated to have worked out at about $2\frac{1}{4}d$. per head of native population, while that on white education was over £ per head of white population."

Fourthly the Government was guilty of a shocking breac of confidence in its treatment of the natives of the Reserver When the limits of the Reserves were laid down the bound aries were so fixed that the borderland wells lay on the nor native side of the line. The tribesmen protested but th Government reassured them by the explicit promise that it the future no further encroachments would be made. The gold was found near Lake Victoria, on the Kavirond

tive Reserve. The Government promptly broke its omise and threw open the gold area to white ncessionaires.

Fifthly the severest conditions were imposed upon such tives as did not live with the tribes in the Reserves. It is were allowed to occupy and cultivate part of the tlers' estates on condition of giving 180 days' labour in ery year to the white men. This squatter system had all edisadvantages and none of the advantages of feudalism. It is enative was cut off from the tribal structure which was ewhole background of his social life, and became little tter than a slave. It is true that in many cases the settler ated his squatters well, looked after the health of their nilies and interested himself in their affairs, but that did talter the fact that the settler's main interest in the latters was the amount of hard work which he could tout of them.

The interesting thing about Settler Rule in Kenya is at although its motive was profit it did not really pay the tler. His land was excellently suited for crops of tea, al, maize and coffee but his capital was scanty, his ldings uneconomically small and his outlook individustic. Often he was an untrained youth who had come out find adventure and fortune in the wide open spaces; found little but hard work and a falling price for his ods on the world market.

ods on the world market.

Yet the Government showed no sign of modifying the licy as years went on. The Colonial Office made efforts on time to time to restrain the worst extravagances of the mentality: "Primarily Kenya is an African untry," they insisted in 1923, "and His Majesty's Government think it necessary definitely to record their conlered opinion that the interests of the African natives ust be paramount and if and when those interests and the terests of the immigrant races should conflict, the former ould prevail." But nothing was done; the men on the ot saw to it that the interests of the settlers were paraount. "The Government expects every administrative

officer" announced the Acting Governor in 1925, "to give all possible encouragement to the labour within the district to work on the lands which have been opened u by the settlers." Native labour was consistently "encou aged" to work for the settlers throughout the post-wa period and the administrative officers became increasing efficient in keeping natives to their labour-contracts and rounding up men who deserted to their villages. In 193 a Kenya Land Commission presented its report to Parli ment. Again the most enlightened general sentiments we combined with the most repressive practical recommend tions. The report deplored the system of breaking the country up into strictly demarcated Reserves and insiste that more land should be open to the natives. At the san time it insisted that the 16,000 square miles of highlar should remain a white man's Reserve in perpetuity; certa lands outside the native Reserve—"C" lands—it suggest should be leasable by Africans, and certain other areas "D" lands—should be open to Africans and to Europea alike, but these areas were pest-ridden and unprofitable In 1934 Settler Rule was still the order of the day Kenva.

III: THE UNION OF SOUTH AFRICA

IE SAME POLICY of Settler Rule was in force in the ion of South Africa but here the situation had been plicated by the fact that the settlers were of two dist and antagonistic races. The first settlers were Dutch, inch Calvinists attracted to South Africa by the desire et away from their own impious country and to live an ependent life in a land where the heavy work would be e—almost for nothing—by members of another race. the south they encountered a particularly fine type of ican—the Bantu—who fought at first for his indepence but succumbed at last to the vigorous methods of the aders. All might have gone well for the Dutch-in e of the pressure from English rivals on the coast—had the discovery of gold and other precious minerals ught tens of thousands of Englishmen to exploit the es. War followed between English and Boers and the come was the establishment in 1909 of the Union of th Africa, a quasi-independent unit of the British Em-. English and Dutch settlers were left to exploit the eral and agricultural resources of the Union to their tual advantage. The basis of the Union's economy the unlimited supply of Bantu labour.

ish and Dutch. It was not to be expected that Dutch English South Africans would fuse immediately. They different languages, different traditions, and different son the economic future of the Union. The Dutchaking South Africans (or rather Africans-speaking, their dialect has strayed far from the Dutch of the

Netherlands) clung to their isolationist ideal, wanting Sout Africa to become an independent Republic, free of a connection, linguistic or political, with the British Empire they formed a National Party and found a great leader if the magnificently demagogic personality of General Hertzog. The English-speaking South Africans clung to the connection with the Empire, all the more strongly because they were in a minority to the Dutch; they had economic on their side for the mines were dependent upon Britis capital and British markets: political isolation for Sour Africa at that stage would mean economic ruin. The Sour African Party, as this group came to be called, was luck in finding two most prominent Boers to lead it, Gener Botha and General Smuts.

The outbreak of the World War in 1914 brought the iss between the two parties to a climax. Botha wanted to jo the Allies, Hertzog insisted that South Africa should neutral. Botha won and South Africa declared war, b not before a Nationalist rebellion had broken out in t Transvaal and the Orange Free State which Botha had suppress at the cost of some blood and a great deal popularity. After this South Africa played a prominent a profitable part in the war. Botha captured German Soul West Africa. Smuts led the Imperial Expeditionary For in German East Africa and was later made a member of t Imperial War Cabinet. At the Peace Conference a Nation alist deputation petitioned that South Africa should be reco nized as a Republic but was told that "this was a mat on which South Africa must first be agreed." The Unio reward for the part she had played in the war was a s on the League of Nations and a Mandate for South-W Africa, which, it seemed generally agreed, would eventua be absorbed into the Union.

General Smuts' Ministry. On his return from the Per Conference General Botha died. Smuts, his successor Prime Minister, had none of his easy charm and nature understanding of human nature. Smuts was a prophet, a

without honour save in his own country. The elections gro left him with a majority of four, and when the postindustrial boom collapsed pulling down with it the chief th African bank, when the price of diamonds dropped and demand for ostrich feathers dwindled and vanished away, Prime Minister finally lost the support of the country. t this point a new character appeared on the South ican political stage. A number of skilled workers had grated from Europe, attracted by the high wages which r skill could command in the Union. But with the deusing prosperity of South African industry and the conuent necessity of reducing production costs, employers e showing a tendency to employ Africans at very low ges for skilled jobs. The European artisans formed a ty to fight for the exclusion of the natives, and this party, wn as the Labour Party, formed an alliance with the tionalists (who were always ready to keep the natives out anything); it was this coalition which defeated Smuts remained in power under Hertzog from 1924 to 1933. here was no question now of making South Africa a public; the Nationalists had to drop that plank out of ir platform as the price of the votes of the Englishaking artisans. But anti-British feeling continued to run h. Hertzog replaced English- by Africaans-speaking cials whenever he could (since 1915 Africaans had been second official language of the Union). Then gradually tch jealousy of Englishmen died down and the desire for ession from the Empire diminished when at the Imperial nference of 1926 a new definition was given to the status Dominions: "They are autonomous communities within British Empire, equal in status, in no way subordinate to another in any aspect of their domestic or internal airs, though united by a common allegiance to the Crown freely associated as members of the British Commonalth of Nations." A definition which was taken by most th Africans, with the notable exception of General Smuts, mply that the freely associated members could renounce ir allegiance if at any time they thought fit to do so.

General Hertzog's Anti-Native Policy. The chief ta of General Hertzog's Government was to keep the nativin his place. In many parts of the British Commonweal there was some doubt what precisely that place was, but settler-ruled South Africa there was none: the place of the five million natives was that of hewers of wood and drawe of water for the one and three-quarter million Europear Before Hertzog came into office a policy had been put in force respecting the natives which resembles on every point that which we have described in Kenya.

By the Land Act of 1913 the native was forbidden to bu land outside his Reserves. If the Reserves had been a equate this might have been a tolerable restriction, but the were not adequate: 28 per cent of the land in Natal, 7 p cent of the Cape, 3 per cent of Transvaal and 0.5 per ce of the Free State was not enough for a people who number 68 per cent of the population. More than half the nati population were left outside the Reserves, landless; tv million worked as labour-tenants on white men's farms as three-quarters of a million drifted into the towns to se their fortunes—with what success we shall see later. The R serves themselves were overcrowded: the Transkei had population of a million, and half the able-bodied mal had to spend six to nine months of every year away fro home, working on farms or in towns to supplement the family income.

In the political system of the Dominion the native has place. He was utterly debarred from voting in Transva and the Free State; in Natal he was allowed to vote if could fulfil certain conditions, which were so stringent the not more than half a dozen natives were able to compaint them; in the Cape, where a more liberal tradition prevailed, some 16,000 were enfranchised. Five million is habitants of the Union were thus excluded from rights citizenship. Their welfare was in the hands of a Minist for Foreign Affairs. An Act of 1920 set up a Commission three members to advise the Minister, but the Commisioners were nominated and had no executive power; t

t they could do was to offer the Minister advice and to ress their disagreement with Government measures by ng a protest on the table of the House. In the Transkei ertain degree of Indirect Rule was established: native nbers sat on District Councils and on the Bhunga or tral Council of the Reserve, but control was in the hands white magistrates, and though the Bhunga had advisory vers as wide as those of any Provincial Council in the on it did not receive any grant-in-aid.

he ostensible reason for debarring the native from polilights was that he was uneducated, yet little effort was let of educate him. It was estimated in 1933 that 10,000 native children were getting no education at all, whereas the Government was spending £25 13s. od. on of 384,000 European children, it devoted no more than 3s. 6d. per head to the education of 300,000 native dren. At the same time the natives were heavily taxed—he rate of £1 per annum for every male over eighteen an additional ten shillings for every hut—while the opeans were exempt from taxation until the age of nty-one and then were taxed only according to their acity to pay.

he South African Government were guilty of no breach romise to the natives as flagrant as Kenya's breach over Kavirondo Reserve, but it ignored the undertaking that been made to the British Government during the otiations over the Act of Union, the undertaking that new Union would assure to the natives the utmost contration and the most impartial justice. It further ignored promise made in 1913 when the Native Land Act was sed as a temporary measure to be followed immediately the concession of additional lands to the natives; the porary Act of 1913 has remained without amendment addition ever since.

t was in the towns and the mining districts that the ive's lot was hardest. He came to town in search of emyment: he found no official organization to help him to it and was bound to accept any wage that was offered.

In the mines the wages offered were about half a crown day, paid mostly in kind; and by accepting this the native was legally bound to a mine on twelve months' contract In the manufacturing industries the average wage for native was £48 per annum while the average wage for white man was £248. "The relatively high wages of white artisans," according to the Economic Commission's Repor are due to, and dependent on, the employment of large numbers of unskilled native labourers; and in this that artisan is typical of the whole white community, who are enabled to maintain a standard of life approximating rath to that of America than to that of Europe, in a country the is poorer than most of the countries of Western Europesolely because they have at their disposal these masses docile, low-paid native labourers."

In the long run cheap labour never pays. Even in the sho run it did not pay in South Africa. Cut off from the trib traditions of the social structure to which he belonged ar confined to "locations," miserable slums as bad as an thing in Europe—the slums of Cape Town are said to the worst in the world—the town-native tended to lose h innate self-respect. Having no means of absorbing anything but the worst of European urban culture he became a soci parasite on the white man, as the white man was a economic parasite upon him. A morbid fear of the nativ developed in every class of the white community. The er ployer lived in terror that the natives would organize ther selves and insist upon better living conditions, as indethey did when Clement Kadalie, a Nyasaland man, su ceeded in founding the Industrial and Commercial Worke Union. The skilled labourer lived in terror that the nativ would invade the skilled trades, though he was somewh reassured by the Apprenticeship Act of 1922 which, I imposing an education qualification for apprentices, rule out the natives for whom no educational provision w made. Even deeper was the feeling against the nativ among a third group of Europeans, the "poor whites who had failed to get a living on the land and flocked

towns in search of unskilled work only to find the labour rket glutted with cheap native labour. There was hing for them but to try to elbow their way into jobs at ive wage rates, which meant sinking to the native's hadard of living, or to cadge for public or private alms. 'he poor whites,' according to Professor Macmillan of annesburg University, "are nothing more than the servoir' of unemployed to be found wherever Western ustrialism has dislocated the old agrarian system." They nbered 300,000—" a fifth of the white population of the ion in permanent absolute poverty, many of them perps demoralized beyond redemption." White South Africa paying dearly for its cheap native labour.

To General Hertzog there seemed only one possible solun to the "native problem." His Dutch ancestry and the erests of his National Party and their Labour allies left n with no alternative; he must enforce with new strinecy the old policy of keeping the native in his place. A mber of repressive measures were applied in the course his ministry. The Colour Bar Act of 1926 excluded naes from skilled and semi-skilled occupations in the mines. aployers in every field were encouraged to substitute ite labourers for natives, the Government going so far to offer to pay half the extra cost if provincial and adnistrative authorities would pay the other half.

For a time it seemed as if Hertzog's policy had a chance succeeding. The discovery of a new diamond mine on a vernment estate in Namaqualand and the platinum om of 1925 induced a general feeling of optimism. But n it was seen that the replacement of natives by poor ites was going to prove too costly and public opinion can to turn against the Government. General Hertzog ght the elections of 1929 on the question of the Native is and the National Party polled only 145,000 votes to South African Party's 156,000. Luckily for Hertzog the stituencies were not on a population basis and he still a majority of members in the House. The Anti-Native licy was continued, the native franchise in the Cape was

restricted, a Riotous Assemblies Bill went through in 19 and a Native Service Contract Bill in 1932.

The Economic Crisis in South Africa. But now an extern catastrophe occurred which diverted public attention from the internal anomalies of South Africa's economic system. The World Crisis hit South Africa in 1930. Agriculture prices fell, maize to half, wheat to a quarter of its form price. The plight of the farmers was complicated by successive years of drought and by a positive plague of for and-mouth disease—evils which struck the natives in the crowded Reserves even harder than the farmers and kill many thousands of starvation. Diamond prices fell, the great Premier mine closed down and thousands of labour were thrown out of work. A worse blow came in 1931 whe England went off the gold standard: the South Africa Reserve Bank lost £1,500,000 and South African export lost 20 per cent of the funds they held in London.

The burning question now was what to do about go The Nationalists took the line that South Africa must ke on the gold standard, claiming that this was the or honest, patriotic course. The South African Party want to follow England, pointing out that a drop in the value currency meant a rise in the value of gold of which Sou African mines held half the world's supply. The dispute vended in December 1932 by a run on the banks; £3,000, were withdrawn in three days. The Government was with no alternative but to suspend gold payments.

Hertzog was discredited but not disgraced. He kept position as Prime Minister by yielding to the popular out for a truce to party disputes and in 1933 he called Smuts a five other leaders of the South African Party into Cabinet. The new coalition found itself in an envia position. The old dispute between them, Republican versus Imperialism, had lost its sting with the new definit of South Africa's dominion status. And the finances of Union were momentarily in a most flourishing condit thanks to the rise in the world-price of gold. Now the

ch Africa was off the gold standard she could sell her for what it would fetch, like any other commodity. ions poured into the treasury in 1933. The mine-owners' its per ton were exactly double the profits of the previous. The Coalition levied an Excess Profits Duty upon them spent their surplus in relieving the farmers by reducing nortgage rates to a maximum of 5 per cent and by unaking Government irrigation schemes on the Vaal River.

"Native Problem." Nobody expected that the price old would stay high for ever. Indeed there was a strong bility that soon the nations of the world would adopt currency-standard other than gold, in which case that al would lose the greater part of its value. In any event Union's gold resources were not inexhaustible, and y year the gold was becoming more difficult and theremore costly to extract. Gradually South African leaders being brought face to face with their real problem, h was not how to enrich a few thousand mine-owners on profits of gold, not even how to subsidize agricultural rts by turning over part of the mining profits to the e farmers and exporters: their problem was how to se a means by which communities differing widely in and civilization could live well together in a single monwealth. It was the same problem that faced every tropical country in Africa, but the Union was in a er position to solve it than any other. The settler comity had experience, which is more than could be said he settlers in Kenya. They had a great if transitory asset heir precious metals. They had iron and steel and cultural resources enough for the needs of the whole ılation, African and European alike, though not enough the basis of a large export trade. The native population not savages; the Bantus have a fine legacy of coative tribal traditions. Gradually it began to be seen the solution to the problem lay in developing those itions on the native Reserves—already a beginning had made in the Transkei, where a General Council or Bhunga of natives was administering native affairs—granting the natives security of tenure and some inciteme to self-improvement by substituting tenant farming f labour-tenancy on the agricultural estates, and in stabilizing the demand for native labour in towns and mines as preliminary to raising the wage-level and the cultural levor urban natives to the point when they could begin consume the output of the local industries and become complement of, instead of a menace to, white civilization.

All these ideas were still below the surface in 1934 b leaders were becoming increasingly conscious of the Much money would be needed to buy more land for t Reserves, and for establishing tenant farms and for eduction and for wages. But the gold-boom had made it avaable, and before long it would be returned in the higher effiency of the natives and in their higher level of consumption

Meanwhile on the surface the old settler-policy prevaile the policy which the Union had applied with increasi stringency in the post-war years, the policy of segregati by which the interests of five million Bantu natives we subordinated to those of less than a third that number Europeans. "What in its crudest form does this policy segregation mean?" asked Jan Hofmeyr in his book South Africa: "Nothing more than the extrusion of t native from the white man's life, save in so far as he necessary for ministration to the white man's needs, setting aside for his occupation of land so inadequate the dire necessity will drive him out to labour for the white m the refusal to regard him as other than a means to an el or effectively to discourage his development as an end itself." Unrest among the native population came gradua nearer and nearer to boiling point, heated by the news successful revolts against white exploitation abroad and friction between their champions and the white politi leaders at home. It was a question whether South Africa politicians would modify their settler-policy before natural consequences of that policy overthrew them. 1934 the political leaders showed no inclination towa

difying their policy. They even appeared to have every ention of extending it, for in that year they put forward, the third time, a formal request to be allowed to take r from Great Britain the Protectorates of Basutoland, chuanaland and Swaziland.

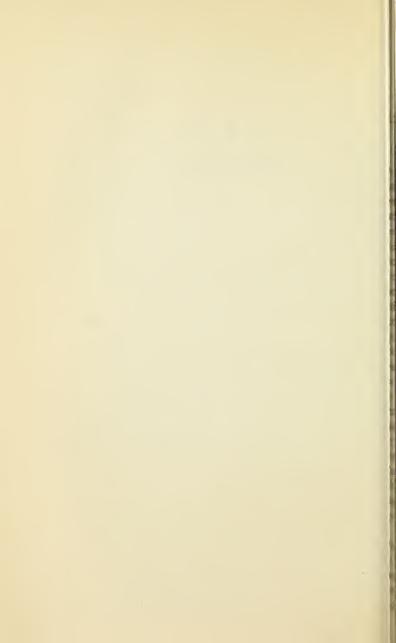
The African problem was no nearer to solution in 1934 n in 1918 but the experience of those years had at least wn in what direction the ultimate solution must lie. It ald not lie in Direct Rule—the failure of the French to ke their colonies pay had made that abundantly clear. could not lie in Settler Rule—the failure of farmers in nya and South Africa and of concessionaires in Portuese West Africa had proved that. Nor could it lie—as some timentalists seemed to think-in the evacuation of Africa Europeans. Even if the white men were willing to leave, ir departure at this stage could mean nothing but reased misery for Africans whose normal way of life d been broken up by European conquest and whose only pe of development now lay in some contact with ropean civilization; sudden evacuation would be as bad Africa as the sudden withdrawal of the Roman conerors was for Britain. It was obvious now that the ution could lie only in some form of Indirect Rule.

This realization had been forced upon Europeans by essure from three directions. First from the Africans emselves: Libyans had risen in arms against Italians, misians and Moroccans against the French, Berbers ainst French and Spaniards; a native miracle-worker d tried to rally the negroes of the Belgian Congo, a Kenya tive, Harry Thuku, had agitated against Settler Rule in airobi (until he was deported—without trial), Clement adalie had founded a native Trade Union in South Africa. condly from Geneva where liberal-minded members of e League of Nations Secretariat were able to collect and blish information about African conditions and to prick e conscience of Imperialists with scandals which they ight otherwise have kept in their unconscious minds. hirdly from the actual experience of the men who were Nw

exploiting African resources. They were finding unskilled labour infinitely wasteful and in some parts hard to obtai The Belgians and Portuguese in particular suffered fro a shortage of labourers and found that the best way getting men to work was to allow them a measure Indirect Rule. In 1920 the Belgian Minister of Coloni announced: "We absolutely break with the policy assimilation, we claim that the native society should free develop after its own manner, its own nature, its ow milieu. We must respect and develop native institutions not, as heretofore, break them." In 1926 the Portugues alarmed by the exodus of natives from their East Africa dependencies to those of the British made a simil announcement. In the nineteenth century the exploite had found African harvests waiting to be reaped, rubb forests waiting to be tapped; forced, unskilled labour w adequate for that. But now that it was a question of co serving the fertility of the land, of planting new forests rubber trees, coercion was not enough; it paid to caic the native and to train him.

The problem, then, is how to develop the resources Africa for the benefit of Africans and of European peop. alike, and the solution lies in some form of Indirect Ru The task of the European Imperialists is gradually to resto the framework of African society which had been shatter by conquest and gradually to build on to it such elemen of Western culture as might prove not to be destructive African social life. It will be unconscionably difficul between the clamour of European tax-payers and shar holders for profits and the clamour (which will increase) Africans for autonomy the Western rulers of Africa w have a hard furrow to plough. It would be easier and in t short run more profitable to give up all responsibility Africa and to lend money to some independent Afric kingdom, on the security of its land, and to let so private company take a million acres or so as a concessi and develop it on the plantation system. Which is what t Americans of the Firestone Rubber Company did in Liber

PART SIX AMERICA



THE UNITED STATES, 1918-29

ERHAPS this book should have begun with a chapter

America, for the world during the post-war era was ninated by the United States. It was the intervention of herica in the war which made the Allies' victory in 1918 tain, it was the American President's proposals which re accepted by Germany as the basis for peace; in 1919 ntral Europe was saved from starvation by American ney and in the nineteen-twenties American products and perican technique were adopted by the whole civilized rld. Even the Bolsheviks who regarded American nciples as anathema imitated American methods, bought ierican models, hired American experts. American ture—such as it was—was carried to every corner of the be by hundreds of thousands of trippers (for Americans d suddenly found themselves with money and leisure spare for sight-seeing), by commercial travellers anxious sell goods and to hire money to all comers, and by perican films: more people, it has been said, went to nerican film-shows than to churches, Christian, Moslem Buddhist, in the post-war period. Europe was in debt to perica. America paid the piper and America called the e. The piper was High Finance and the tune More duction; the industrialists of the world followed the er like the children in Browning's poem, and he led them o a cave and they were engulfed in the crisis of 1929. In this first third of the twentieth century the dominant ilization has been American, as in the nineteenth century was British, in the eighteenth and seventeenth French, I in the sixteenth Spanish. Yet America has in a sense n apart from the rest of the world. The United States opted a policy of political isolation and stuck to it

throughout the period. In 1919 they refused to join the League of Nations and refused to help towards an international solution of the problems raised by the war. In 1933 they walked out of the World Economic Conference and refused to help towards an international solution of the even more serious problems raised by the depression.

So American history may be considered apart from the of the rest of the world. There are three great questions to be answered: first what made the United States the riche nation in the world, secondly what was done with the

riches, and thirdly how the crash came.

The Wealthiest of Nations. The first question is mo easily answered. The riches of the United States are natura She is the greatest producer of raw materials in the world a third of the world's coal comes from the United State half the iron and the cotton, three quarters of the cor and the petroleum. The only important raw materials wi which she is not endowed are rubber and tin-and we sha see what attempts she made to secure supplies of tho commodities. The natural talent of Americans made unparalleled use of these resources, developing a system transport by rail and road which was second to none ar inventing—it is not too strong a word—a new method production. Mass-production is an American invention; was Mr. Ford who first showed that by producing moto cars in enormous numbers and at a very low price, wi workers paid high wages for short hours and a high standard of efficiency, a huge output and huge prof could be achieved.

The war of 1914 gave the United States the opportuni to become the factory of the world. While the other i dustrial countries were devoting their energies to fightin the United States stepped in to their foreign markets especially in Latin America and the Far East—and furthe more supplied the industrial nations themselves, Allies at Central Powers alike, with food, clothes and the materiz of war. For two and a half years America was neutral,

porium selling to either side impartially. When the tish blockade began to cut off America's trade with the ntral Powers there was even talk of war against Great tain. Later, however, public opinion began to turn to other side: America after all was an Anglo-Saxon ion-41 per cent of her people were of English and ettish origin, only 16 per cent were German—and glo-Saxon civilization was in peril. At last President son felt safe in assuming that American opinion was h him in declaring war against the Central Powers. son had no intention of sending men to Europe, no ention of shedding American blood; he meant American ticipation in the war to be confined to supplying munias and provisions on a gigantic scale. But Allied statesn succeeded in persuading him that the war could be n only by American soldiers, and in the United States declaration of war was followed by a great outburst of alism—every citizen was a crusader at the end of 1917. America sent a million and a half men to Europe and l millions more getting ready to cross the Atlantic in 1919. America was making a sacrifice. She was also making a tune. When the war began, America owed the world 000,000,000; when it ended, that debt had been wiped and America had become the world's creditor to the e of \$10,000,000,000.

de End of Wilsonism. Before November 1918 the wave dealism was spent. The death-roll was surprisingly heavy dealism was spent. The death-roll was surprisingly heavy dealism was full standard phrases like "the rights of little ions" and "the sanctity of treaties" ring hollow. Ison was full of such phrases; they were echoed all over rope and Asia and made Wilson the idol of the outside rld. Americans realized with alarm that the world ked to their President to dictate the peace and to them, sumably, for more sacrifices in the European cause. For itr part they were singularly unimpressed by the Fourteen ints; and they disliked the idea of their President going the Paris Conference when his place was at home in

Washington. When Wilson returned with the Versaille Treaty and the League Covenant they cheered, but the cheers were not for the treaty or League but because the had got their President back and could put an end to his policy of intervention in Europe.

The Constitution of the United States puts the Presiden in a strange position. Potentially he is more powerful that any constitutional monarch: he is the head of the executive, he chooses his Ministers and Civil Servants and th judges of the Supreme Court; he is in office for an initia term of four years and is often elected for a further fou years. But actually he is at the mercy of Congress: a legislation has to be passed and every treaty ratified b Congress. And Congress is a difficult body to handle. I consists of two houses: the Senate which includes representatives of each of the forty-eight States in the Union an is always anxious to protect the rights of the State Govern ments against encroachment by the President and h Federal Government; and the House of Representative the members of which are elected in constituencies marke out on a geographical basis rather than on a basis population—which means that the small towns and th country districts are represented more strongly than th great cities and consequently the Representatives have parochial, small-town outlook. For the most part they ar uneducated men, unskilled in public affairs, men whos sight does not go far beyond their constituencies and who main interest is to be re-elected when their short term office—a meagre two years—comes to an end. Distrust the President is the traditional attitude of Congressmen even of those members whose party was responsible for h nomination and election.

The Democratic Party had put Wilson into office in 191 and had given him another term of office in 1917. Then h was a true embodiment of Democratic ideals. The Democrats are the party of liberalism, they stand for the rights the individual against the community and the rights of the trindividual States against the Union. All America will

mocratic in spirit in the emotional days of 1917. The her great party, the Republican Party, stood for Amerihism, for the business interests of American business en against the "foreign" communities in the States emselves, the Jews, the Irish, the Roman Catholics. In 18, the wave of international idealism being spent, the e turned towards the Republicans. Republicans in ngress had the country behind them when they attacked Ilson's League of Nations for threatening to involve nerica in the affairs of Europe. Even Democrats disliked ticle X of the League Covenant: "The members of the ague undertake to respect and preserve as against ternal aggression the territorial integrity and existing litical independence of all members of the League. In se of any such aggression the Council shall advise upon e means by which this obligation shall be fulfilled." rely this would involve America in wars in future, in -American wars? Wilson hastened to explain that the puncil could decide on nothing without American consent, ace decisions in the Council had to be unanimous. Coness took no notice. They refused to let America join the ague of Nations, and the Senate rejected the Treaty of ersailles. Wilson's idealist phrases sounded empty and inncere, as hollow as a revivalist sermon to a man who has st his faith. Wilson had a stroke; he was an invalid for sevenen months before his term of office ended in May 1921.

Hundred Per Cent Americanism." While Americans are arguing about internationalism and frenziedly repuding the League—the political offspring which their idealm of 1917 had begotten—another result of that idealism as born almost unnoticed. Prohibition had long been an eal of puritanically-minded Americans. Even before the ar several States had accepted the ideal but there was the chance then of Prohibition being made a national easure. A national Act prohibiting alcoholic drinks would excessitate an amendment of the Constitution, and for an mendment a majority of two-thirds in each House of

Congress is necessary, and a majority of three-quarters o the States in the Union. Such majorities would be impossible to obtain in normal times, but 1917 was not a norma time. The crusading spirit was abroad: America would make the world safe for democracy and the States safe for sobriety. In August the Senate passed by 65 votes to 20 a resolution to submit a Prohibition amendment to the States and by the end of the year the House had passed the resolution and the required majority of two-thirds o Congress had been obtained. One by one the States ac cepted the amendment until by January 1919 three-quarter of them had fallen into line and the Eighteenth Amend ment became part of the Constitution. In October the Volstead Act was passed defining intoxicating liquor a any containing more than 0.5 per cent alcohol. It is difficult to realize now that Prohibition was passed with no fus and little debate: no one thought at the time that there would be any difficulty in enforcing it.

The truth is that alcohol meant little to the American of 1919 because they were intoxicated by a more potent spirit: they were drunk with xenophobia. They felt that they had been betrayed by their own cosmopolitan blood into entanglements in the continent of Europe. In frenzy of contrition they asserted their own Americanism and what they meant by Americanism was Anglo-Saxor Puritanism and the right of the business man and the industrialist to work unfettered for the prosperity o America. The war-spirit that had been aroused against the enemy in Central Europe turned against the enemy in thei midst. The most obvious enemy was the working man who was unpatriotic enough to protest against the increased cos of living by going on strike for higher wages. Obviously h was a Communist, an international Communist intent or wrecking American civilization. The fear of Communism spread ludicrously. Strikes were broken as a matter of patriotic duty. When the Boston police formed a Union the Commissioner expelled nineteen of the leaders; when the police replied by going on strike the Governor of the State

Massachusetts called out the State Guard and declared it there was "no right to strike against the public safety any body, anywhere, at any time." And the Governor ame the hero of the hour in America; his name was lvin Coolidge. In January 1920 the Attorney-General lered a raid on "Communists" all over the States. er six thousand suspects were put under lock and key d the American public felt that it had been saved from Red revolution. Even when it was announced that the al number of fire-arms found on the prisoners amounted three revolvers, no one felt that the direct action was warranted.

The reaction to jingo-nationalism showed itself in a mber of other ways. The Ku Klux Klan, a secret society ich had been founded to intimidate negroes in the hteen-sixties was revived and used now to intimidate ctors, juries and administrators in the interests of "pure nericans." The Klan had a membership in 1921 (accordg to the New York Times) of half a million; its enemies re negroes, Jews, dagoes, Catholics, anyone in fact who s suspected of racial origins that were not Nordic and Itural leanings that were not Protestant; its methods were rorism by anonymous letter-writing, by boycott, by r-and-feathering and, in the last resort, by lynching. In insistence on race purity, in its love of terrorist methods the name of order, its conspiratorial ritual and torchht processions the Klan of America set an example to e Hitlerists of Germany, whose activities ten years later ey were so vociferously to decry.

Nationalism showed itself in an even more ridiculous the in the prohibition of the teaching of evolutionary ology. Darwinism, to the American mind, implied that e negro might evolve into a white man; Darwinism erefore must be suppressed. The State of Tennessee rbade any teacher "to teach any theory that denies the pry of the Divine creation of man as taught in the Bible and to teach instead that man has descended from a lower der of animals." When a test-case came before the court

at Dayton, the case for the State was pleaded by no less a man than William Jennings Bryan who had been Secretary of State under President Wilson.

The Federal Government had not of course taken any part in Klanishness or Daytonism but it played its part in the Nationalist mania by passing a series of laws which virtually barred the United States to non-American immigrants. The States had been populated by successive waves of immigrants, first English, Scots and Dutch, then Germans and Scandinavians, then Irish, Italians and Balkans, to say nothing of brown and yellow men. As the nineteenth century wore on the Mediterranean immigrants far exceeded the Nordic, and the descendants of the original Nordic settlers in America who had set the tone for the new nation and whose culture was the essence of American culture decided that the time had come to close the frontiers. By legislation passed in 1921 and elaborated in 1924 Asiatic immigrants were shut out of the United State and Latin, Slav and Celtic immigration was severely restricted so as to allow preferential treatment to the Nordics. Between 1924 and 1927 only 165,000 immigrant were allowed in each year and of these the maximum of Russians was set at 2,248, of Italians at 3,845, while Germany was allowed to send 51,000 and England and Ireland a total of 62,000. Canadians and Mexicans were still allowed to come freely into the United States; they could easily be absorbed into Americanism.

The Years of Plenty. The spirit of defensive nationalism which stalked the land after the Armistice made it certain that the Democrats would be beaten at the presidential election of 1920. Wilson and the save-the-world humanitarianism which he personified were anathema now Americans wanted a Government which would leave then alone to mind their own businesses. So Warren Harding the candidate of the Republicans, the business-man't party, became President. His policy, a return to what he called "normalcy," was exactly what the country wanted

e called the Washington Conference by which America erted a war in the Pacific and guaranteed for her traders Open Door in the Far East. He imposed heavy import ties on manufactured goods, thereby making the home arket almost a closed preserve for the American instrialist.

Under Harding and his successor the United States joyed seven years of unparalleled prosperity. Never was a tion in a better position to get rich quick than America 1922. By then it had got over the jolt given to industry by e cessation of war-time orders. Moreover it had what nounted to a world-monopoly of the new industries of e age: motor-cars, radio and cinema-films. The instrialists seized their opportunity with both hands. In 20 there were less than seven million passenger cars in e United States; in 1929 there were over twenty-three llion—a car for every five inhabitants! In 1920 the total es of radio companies amounted to six million dollars; e sales for 1929 surpassed eight hundred and forty-two llion. The film industry expanded until there was a ema in every village. The telephone industry expanded til there was a telephone in every private house, in every tel bedroom. The radiator industry expanded until there is central heating in every city building. The ready-made ot and clothing industry expanded until every negro, cry Mexican navvy in the Union had bright shoes and a ht Western suit. The sanitary-porcelain industry exnded....

There seemed no limit to the capacity of Americans to sorb these new mass-produced goods. Whenever saturan point seemed to be approaching the manufacturers let see on the public armies of salesmen trained in the art of rsuasion, or launched a new campaign of advertising to a nice the public that what had been considered luxuries are really necessities—radios, telephones, bathrooms, even garettes all became "necessities" in the course of a few ars. Thanks to salesmanship and advertisement, demand as kept alive; the only limit to a consumer's demand was

the depth of his pocket. American industrialists overcame this limitation by teaching the public the hire-purchassystem: there was no need to wait until one earned mone before buying what one wanted; one could buy out o one's future earnings. And so it went on, the triumpha march of American industry, throughout the nineteen twenties, till the standard of living was higher in America than anywhere else in the world.

American industry was not confined to the home market To the undeveloped countries of Africa, Asia and South America (this last market was by far the most important) we shall deal with it in a later chapter) the United State sent their manufactured goods—machinery, stockings cotton-cloths—buying in return foodstuffs and rav materials—coffee and sugar, silk, rubber and tin. To Europ they sold her own raw materials, cotton, copper, wheat and oil, buying in return—well there was little that Europ could offer them: a few luxury articles and products of fine craftsmanship such as Americans had not yet learned to imitate; for the most part Europe could only offe securities, a share in Europe's own profits. So American came to hold stock in German municipalities, in Polish industries, in the Rumanian telephones. Of all the commodities of which America had enough and to spare in the post-war years the greatest was capital. Americans wer earning more than they knew how to spend; the banks wer loaded with more deposits than they knew how to invest the Government had amassed a hoard of gold from foreign debts which was worth \$4,500 million—far more than they knew what to do with, for they could not let i get into circulation without sending prices sky-high and upsetting the whole economic balance of the country America was in the absurd position of not knowing wha to do with its money. A great deal it threw away in blind speculation—for instance in Florida in 1924-26 when rumour started that the coast could become an American Riviera. But soon it was realized that the most profitable use for surplus capital was to invest it abroad. American oney poured into China, into South Africa, into South nerica (here again the investment was largest and had ost important consequences) and into Europe. In this ay America built up an Empire upon finance, as unnsciously and haphazard as the British in previous nturies had built up an Empire upon trade.

It was with some justification that Americans in the st-war decade looked down on the rest of the world. They d solved the problem of production and were enjoying ven years of prosperity the like of which the world had ver seen. If their financial Pharaohs dreamed of lean ne, there was no Joseph in America to interpret the dream.

gns of Decay. There were blots on the escutcheon of osperity. The worst was in the Middle West where the rn belt stood out like a bar sinister. The farmer did not are in the post-war prosperity. During the war self-terest and patriotic duty had led him to increase proaction: he had bought more land and more machinery, wing high war-time prices and incurring heavy mortgages, and he made a fair, not to say exorbitant, profit. Then after e war the price of agricultural products dropped (in 1919 heat fetched \$2.14 a bushel, in 1923 only \$0.93) and the rmers' costs rose higher than ever with heavy freights, avy taxation and interest on heavy mortgages—farmers' ortgages reached the sum of \$4,000 million in 1919. There was a bad blot too in Washington itself during

arding's term of office. Harding was a good-natured onentity who filled the government offices with his non-script friends. He made Charles R. Forbes Director of e Veterans' Bureau, in charge of the administration of ar pensions, and Forbes succeeded in wasting \$200 million public money before he was sent to prison. He made ougherty Attorney-General; nobody can guess what ougherty cost the public before he was dismissed. The orst scandal of all was connected with oil. The United ates navy had bought three great oil-reserves—enough, was thought, to supply the navy with fuel for all time—

one at Elk Hills in California, a second at Buena Vista, and a third at Teapot Dome in Wyoming. Harding was persuaded by Albert B. Fall, his Secretary of the Interior. to take these reserves out of the hands of the navy and to put them under the department of the Interior. Then Fall leased Elk Hills to a private operator called Doheny and Teapot Dome to a private operator called Sinclair. The reason given was that the oil was being drained away from the Reserves by the drilling of wells by private companies just outside their boundaries; development of the Reserves would stop the drainage and would ensure that a store of oil was always ready in tanks for the use of the navy. But this did not explain why Sinclair's offer and Doheny's had been accepted without calling for competitive bids; it did not explain why the royalties to be paid to the navy were so very low. Still less did it explain why Secretary Fall had accepted a "loan" of \$260,000 from Sinclair and a "loan" of \$100,000 from Doheny.

Before these scandals came to light Harding died, with suspicious suddenness, in August 1923, and was succeeded by Calvin Coolidge. The new President kept his predecessor's Cabinet but he was forced by public opinion to make some inquiry into the oil scandals. The Secretary o the Navy thought fit to resign. Secretary Fall was found guilty of taking a bribe and was condemned to prison—for a whole year. As for Doheny and Sinclair, they were acquitted (though in 1929 the latter was sentenced to a term of imprisonment for contempt of court). The leases of the Teapot Dome and Elk Hills Reserves were declared void—but not before they had run for some years—and the private drillers whose activities on the borders of the Reserves had started the trouble were allowed to go on draining the oil from the naval estates. The full depth of iniquity to which Harding's administration had faller was never disclosed.

Corruption was not confined to high places; it was to be found all over America wherever the Prohibition laws were in question. Congress had imagined that their enforcements

ld be easy and had set aside a paltry few millions for purpose. A minute's thought might have convinced n that it was not enough to shut the saloons, that rement would mean policing every mile of America's intic and Pacific coasts and every mile of the Canadian

Mexican frontiers, would mean inspecting every mist's shop where alcohol was on sale for medical poses and every factory where it was being produced for istrial purposes, supervising the breweries which were allowed to brew near-beer, to say nothing of preventing installation of distilling plants—which cost only a few dred dollars—in private houses. In other words Protion was impracticable unless the nation as a whole ted it. A large majority had voted for it—just as large orities in England always vote for a Puritan Sunday, ause Puritanism is in the Anglo-Saxon blood. But the at majority of Englishmen break the Sabbath. The ple of the United States never for a moment co-operated the Government in the enforcement of Prohibition. : States with few exceptions were apathetic; municipal ernments were openly anti-Prohibition; private citizens ame attracted to alcoholic drink, as adolescents are smoking, by the very fact that it was not allowed. nking became a snobbism of the richer classes; evading Prohibition laws became a sort of national sport. The vernment was powerless. The Treasury Department anized in 1925 a militia costing \$20 million a year to orce Prohibition, yet the Assistant Secretary had to nit that not more than 5 per cent of the liquor smug-I into the country was intercepted by his agents.

The contempt into which this one branch of the law had en encouraged contempt of the rest. The underworld of erica, having come into the open to make respectable unes out of boot-legging, stayed in the open to intimidjuries and officials and to hold tradesmen to ransom. 1927 a new word came into the American language, the d "racket," meaning the extortion of money under cat of violence. Murders and daylight robberies were

reported in the papers as regularly as stock-exchange quotations and such was the hold that the gangsters of tained on the public that their conviction on a charge manslaughter or felony could rarely be obtained, and if the were condemned at all it was for the venial sin of having falsified their income-tax returns.

The only accused persons who were sure to be convicted in American courts were the negroes. In American ey the black population—which amounted to over ten million nearly a tenth of the whole population—was a worse bl on their civilization than a poverty-stricken corn-belt, corrupt Washington and gangster-ridden cities. The neg was allowed virtually no political rights. Courts condemn him on his colour alone, often he was lynched without the pretence of a trial; in the South he dare not vote, he danot so much as look at a white woman in public. In the days the negro had been confined to the Southern States b the post-war prosperity had brought him north to work the ever-expanding factories. Whole quarters of the b cities came to be occupied by negroes, yet the whi Americans continued to ostracize and oppress the colour man, preferring not to realize that the time would cor when the coloured minority would stand up for its right in "the most democratic nation in the world."

There were serious blots, then, on the escutcheon U.S. prosperity in the nineteen-twenties. But nobothought for a minute that they were serious. Farmers we always grumbling; the crime-wave was disgraceful, course, but every nation had had a crime-wave after t War—it was natural enough; and as for politicians at their like, they would be fools if they did not make mon when money was offered to them. The outstanding fa about the America of the post-war decade was its mood buoyant optimism. There was nothing wrong with t System—how could there be when America was richer the ever before, richer than any nation in the world had ever before? A few moralists pointed out that riches do no make happiness; writers such as Lewis, Dreiser, Mencke

han, Lippmann—many of them with German-Jewish hes—satirized the America of the twenties, but who could them seriously? Foreign critics accused Americans aving mistaken comfort for civilization, reminded them they had produced no art—their artists had to come to s before they could work; no music—except jazz and inspiration for that had come from the negroes, the element in their heterogeneous population whom ericans were united in ostracizing and repudiating. erica laughed. Of course she had no civilization in the opean sense, that was a product of maturity, even of lity. America was a young people. Fifty years ago her blem was still that of wrestling with the land, of taming primeval forests and ploughing the desert into cultiva-. She had made her trial of strength and she had mphed; she had tamed the elements and had harnessed n as no other people before; she was the richest nation he world, and that was enough.

ring on Prosperity. Such was the mood of America 927. Business was good; no one asked for anything more n that it should continue good. When Coolidge's term of e came to an end the Republicans would have nominhim for a third term. When Coolidge refused to stand ing, as usual, no reasons) they nominated his Secretary ommerce who, since commerce was the most prosperous nch of the whole tree of American prosperity, should be man for the future. The Secretary, Herbert Hoover, a good administrator, an eminent engineer, and had additional advantage of having an international repuon—he was in Belgium after the Armistice, where he administered the American relief funds which did so ch to save that country from starving. The Democrats, as al, were undecided whom to nominate. It is almost imsible to find a candidate acceptable to the antagonistic nents of the Democratic Party. The Southern States e prepared to back McAdoo, a son-in-law of President son; the Eastern States had a popular candidate in

Al. Smith, the capable Governor of New York. After a less than 103 divisions the party adopted Al. Smith.

The country looked forward to the election with condence. Whoever was elected, nothing very drastic cou happen. In any case the country was in for another deca of prosperity. Americans were prepared to bet on the future prosperity. And bet they did. The betting took t form of buying shares in the companies whose futu seemed most bright. During the spring of 1928 hundreds thousands of people who had never dreamed before gambling on the Stock Exchange bought shares in General Motors, in Radio and in the enterprises of Montgome Ward. The prices of these shares soared up and up as mo and more people began to buy. Wise investors realized th they were standing much higher than they could be worth however golden the future of industry, however high t dividends, shareholders could never hope to recover the prices-so they sold their own shares. In June the Sto Market wobbled, and fell. But when Hoover was elected it was almost a foregone conclusion, the Republican Par was after all the Prosperity Party-stock prices rose again The ordinary investor was sure that trade would get bett and better, he was determined to buy stocks and share the prosperity. The wiseacres shrugged their shoulderspeople would be fools, let them—and began buying aga: trusting to their wits to tell them the right time to sell.

Optimism continued throughout 1928. Hoover a nounced that his Presidency would give America "fo more years of prosperity," and everybody believed his So the rush to secure shares in industrial stock, the stapede to gamble on the promised prosperity of the ninetee thirties which had begun before Hoover came into officontinued with increased velocity throughout 1928 and t spring and summer of 1929. Every class in the communication was involved in the gambling mania. The Wall Strefinanciers were interested in forcing the prices of stocks of higher, trusting that their inside knowledge would tell the when to sell. The industrialists knew no caution, they proceed that their industrialists knew no caution, they proceed the proceeding their proceeding the

ne of their profits aside as reserves for the future but paid ll out as dividends to their shareholders to encourage the estment of more and more capital in their concerns; it st be remembered that American industry was organized mass-production and that mass-production can only when running to maximum capacity. The bankers re tumbling over each other to find borrowers who uld promise a high return in loans; they formed ecurity corporations" to gamble with the depositors' ney; they pressed more and more money on the shaky ublics of South America; they urged German municiities to increase their borrowings and fought for the vilege of lending to the new nations of South-East rope (to such a pitch that no less than 14 American banks t agents to Belgrade to win the right to float a Yugovian loan). Ordinary American citizens joined in the ne, learned to read the financial papers and invested all ir savings in the soaring stocks quoted on the New rk Stock Exchange.

Early in 1929 the Treasury became alarmed. Instead of resting in Government bonds the public had no interest anything except industrial stock. The Federal Reserve ard, which is the Government's banking authority, ed to check speculation. For a moment stock prices wered, but the National City Bank, for one, had no ention of letting the speculation game end just yet; ough the mouth of its energetic president, Charles E. tchell, it announced that it had every faith in the future, much so that it would lend \$20 million at call. The traordinary thing was that the President and Secretary ellon were behind the private bankers. So the boom nt on.

the Crash. Sooner or later a crash was bound to come. the end of September 1929 it came. Rumours of the atry affair in the City of London gave America a glimpse the sort of snake that was lurking in the financial grass; Secretary of Commerce announced in a speech to

Republican Party leaders that the industrial outlook of the United States was not promising. Knowing financiers bega to sell their shares, unknowing speculators followed blindly Prices on the New York Stock Exchange stopped risin toppled, and suddenly, on the morning of Thursda October 24, fell with a crash. The scene on the floor of the Stock Exchange was a riot; brokers were besieged 1 selling orders. Millions of American investors saw the money disappear in a few hours. Opposite the Exchange Morgan's offices the directors of the greatest New Yo banks held an emergency meeting; they decided to put 1 \$240 million to stop the panic and in the afternoon the representative went round the floor of the exchange buyis large blocks of shares. For a day or two the panic w allayed but it set in again on the following Monday at frantic selling continued throughout that week. It w estimated that in the month of October U.S. citizens le forty billion dollars, in other words five times as much the outstanding debts of the Allied Powers to America.

And yet, with hundreds of thousands of citizens ruin and with reports of bankruptcies and suicides coming from every quarter, Americans were still optimistic; th could not believe that their national economy was fund mentally unsound. "We have passed the worst," sa President Hoover in May 1930, "and with continued un of effort we shall rapidly recover." The President w whistling to keep up his courage. There were no groun whatever for optimism. European Powers were buildi higher tariff walls and keeping out American goods; Briti industries, especially the motor industry, were beati Americans at their own game of cheap mass-production The Eastern nations could no longer afford to buy Americ goods, a slump in the price of silver had reduced th purchasing power. The American farming community we on the verge of revolt: a record harvest in 1928 had force them to get rid of their grain at less than cost price and the were refusing to pay the interest on their mortgage del Throughout 1930 the slump continued: the number

s failures reached a thousand and the unemployment

ne year 1931 brought no relief. American investors were ng in the money they had lent to Central Europe. To e it easier for Germany to pay commercial debts Hoover ast announced a year's moratorium in Reparations. ver was still confident, or pretended to be. His speeches full of assurances that the depression would pass, that anti-cyclone was coming. He sent Mr. Mellon as passador to Great Britain and Mr. Mellon assured the that the worst was over and that America was on the to recovery. But the figures belied all this: prices were ng in America as elsewhere, unemployment was insing, the output of the great American industrialists falling off-for example, the number of cars turned out eneral Motors fell from 5½ millions in 1929 to 2½ milin 1931. The ordinary American was in despair. He bought shares in the Stock Exchange back in the boom 27 and 1928 with money which he did not possess and bought on margin, sending his broker a mere ion of the value of the shares he was purchasing. When irst crash came the broker asked for more margin, and investor had to draw out his savings from the bank. n this first crash was followed by another he had to put nore money and there was nothing to be done but gage his house, sell his car and his furniture.

hat had happened to America's riches? Vaguely the crican began to realize that he had gambled on future perity, and lost, lost because he had poured millions producing raw materials until the amount produced more than the world (organized as it was so that only inority of its habitants could afford to buy) could ume, and so the high prices he had hoped for had not realized; lost because he had lent millions to foreigners were in no position to pay even the interest on the s. If he wanted a monument to his folly he had only pook round at the state of his neighbours in Latin crica.

II: THE CARIBBEAN COUNTRIE

LATIN AMERICA has never been Latin in anythi except name. Before the conquests of Cortes and Pizarro was the home of Indian civilizations—above all, the Az civilization of Mexico and the Inca civilization of Per In the sixteenth century it became an Iberian colon Portuguese priests and soldiers claimed Brazil, Spanpriests and soldiers claimed every other American coun from the Rio Grande to Tierra del Fuego. The soldiers a the colonists who followed them settled wherever the clim was tolerable and established a feudal land-owning arist racy who to this day consider themselves the ruling cl of the continent. In the eighteenth century the imper power of the Iberian countries degenerated; America ca into the orbit of French revolutionary ideas (the na Latin America is a monument to the cultural ascendancy France). Then in the nineteenth century Brazil rebel against Portugal and the rest of the continent agai Spain; a score of republics were established, with consti tions more or less on the French model. The new republ were never democratic, for the power was never with Indian population but with the white minority, and constitutions were intended to guarantee not liberty national independence. In each republic the President became in fact a dictator, his policy depending upon ability to pay his army and police force and to best lucrative State-appointments upon the more influential the land-owning aristocracy. The future of the La American republics depended therefore on the Presider ability to pay, which in its turn depended on the willingr of rich foreign Powers to establish commercial relatic

re were two competitors for this privilege. One was at Britain: it was a British Prime Minister who "called New World into existence to redress the balance of the ": it was British industry that equipped the new ablics with arms, built the railways that made possible colonization of their vast hinterlands and the developt of their unlimited resources. The other was the ted States.

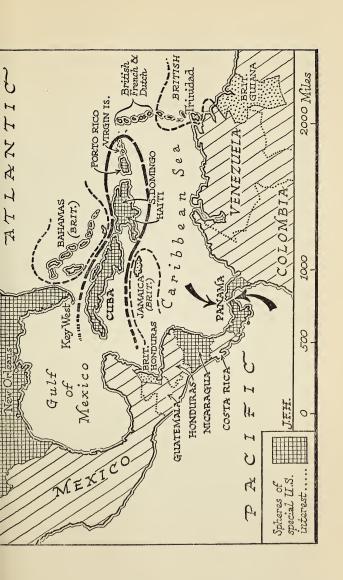
Monroe Doctrine. The Yankees thought fit to ard themselves as the natural protectors of the Latin erican nations. This attitude was expressed by President throe in 1823 in the course of his annual message to gress: "With the existing colonies or dependencies of European Power we have not interfered and shall not refere. But with the governments who have declared their expendence and maintained it, and whose independence have, on great consideration and just principles actively we could not view any interposition for the cose of oppressing them, or controlling in any other than as a manifestation of an unfriendly disposition ards the United States."

That this really meant nobody knows. North Americans inselves are inclined to say "We do not discuss the broe Doctrine; we enforce it." To United States Presists it meant different things at different times—in the notion that the century different things at the same time in event places. In South America it meant that Great ain must not bring political pressure to bear in collect-her economic debts. In the countries of the Caribbean it meant precisely the opposite: the United States it interfere politically to support her traders whenever olitical revolution threatened to disturb the course of trade. "The ordinary citizen of the U.S.," according fames Truslow Adams, "is likely to lump together all in Americans from Rio Grande to Cape Horn and think them as degenerate half-breeds, shiftless, inefficient,

incapable of self-government, always in the throes revolution, apt to go nationally bankrupt at any tin uncultured, superstitious: an inferior race whose nation owing to the Monroe Doctrine, are somewhat vaguely cowards to protect from European aggression but never interfere with anything we wish ourselves; subject to copolice power whenever their internal disturbances must threaten a banker's loan or a concessionaire's investment to be treated more like children—good-humouredly as rule, but sternly when we deem it needful." The Ustatesmen have shown more discrimination than toordinary citizen. They have thought of Latin America two entities: the Caribbean countries, and South America We may well adopt their classification.

The Canal Zone. The first trade-route of the world is t Mediterranean; the second is the Caribbean. Control the Caribbean was "necessary" to the United States just the same sense as control of the Mediterranean w necessary to Great Britain. In the interests of their tra the British wrested Gibraltar from Spain, Malta from t Knights of St. John, Egypt from the Ottoman Empir The imperialism of the United States was a later develo ment but no less crude in its methods. In the interest their trade the North Americans, in the twenty years th elapsed between the end of the Spanish-American War 1898 and the end of the World War in 1918, established degree of political control over most of the Central Americ and Caribbean republics: they annexed Porto Rico 1900, claimed rights of intervention in Cuba in 190 virtually annexed Panama in 1903, took control of t finances of San Domingo in 1907, expelled a President Nicaragua in 1909, sent Marines to Haiti in 1915, bought number of the Virgin Islands in 1917.

The main object of this policy was of course to win control of the canal route. The second object was to secure as lar a share as possible of the trade of the Caribbean countric Cuban sugar was necessary to the United State



Nicaraguan mahogany, Mexican and Venezuelan oil were to say the least—desirable. If the Government of these repu lics was such that American investments were not secure at the lives of American traders were not safe, then the Unit States considered that it had a right to intervene, a rig even to overthrow the Government and to replace it 1 another which might have a clearer understanding of the importance of economic relations with the United State Whether any such right existed in international law ma well be questioned, but it certainly existed in the min of North Americans, who based their claim on the Monr Doctrine. By the end of the World War the United Stat had built up a trade with the republics of the Caribbea (and from the economic point of view Mexico and Colomb must be included in this area) worth \$520 million year in imports to the United States and \$485 million in exports. After the war the United States pursued the same policy. The Monroe Doctrine was written into the Covenant of the League of Nations and North Ameri went on its way in the Caribbean without any opposition except that of the liberal and nationally-minded inhabitar of the Caribbean countries themselves.

With regard to Panama, United States policy was open imperialistic. The United States wanted a canal to the Pacific: the best route lay through Panama: therefore tl United States must have Panama. The reasoning w simple. The only difficulty was that at the beginning of the twentieth century Panama was a province of the Republ of Colombia. Fortunately for the United States the provin contained a few malcontents. President Theodore Rooseve encouraged them to rebel against Colombia and to declar an independent Republic of Panama in 1903. Promptly 1 recognized the new republic and used his influence wi foreign Powers to procure their recognition. The ex-ma contents, now established in the seats of the mighty i Panama, were graciously pleased to sign away a ten-mi wide belt of their country to the United States, in perpe uity, for the construction of a canal. In 1914 the Panam

al was opened to traffic. The Panama Republic derived iderable benefits from American improvements notably ombating pests, but there could hardly be any doubt it had lost its political independence. The parallel veen this story and Great Britain's relations with Egypt the Ottoman Empire over the Suez Canal is too lous to need drawing.

he United States now held the route to the Pacific. re was a possibility, however, that other nations might sue a similar policy and induce another Central Amerirepublic to allow them a canal-route. The only alterve route lay through Nicaragua: so in 1912 the United es intervened to put a Conservative Government in er in Nicaragua, and in return the grateful Conservas signed a treaty allowing the United States the control he Customs, the railway, the bank, and of a zone for construction at some future date of a canal. From 1912 925 the United States kept a reactionary Government power in spite of the fact that there was an obvious eral majority in the republic. By 1925 Nicaragua had hid every cent of the loans which American bankers had le in the country; the United States thereupon withw their Marines. But two years later the Marines were back again, and the election of another puppet sident, Don Adolfo Diaz, was procured, together with right of the U.S. to supervise future elections. This cy could be defended only on grounds of expediency. hen Japan invaded Manchuria and established a pet republic the United States joined with the League Nations in condemning the action as a breach of interonal law. The protest could hardly be made seriously le American Marines were in Nicaragua; a change of crican policy in Central America was obviously indid. In 1932 the United States withdrew its support Diaz and a Liberal President was elected. In 1933 the American Marines left Nicaragua; no sooner had they than the Liberal Government made peace with dino, a Nationalist who had been outlawed by the

U.S., and had been conducting a guerilla war for year against Marines and puppet Presidents. For the first tir for years there was a prospect of peace in Nicaragua.

Cuba Americanized. Both economic and strates motives combined to make the United States interested Cuba. The island is less than a hundred miles from Floridalso it offered a potential source for cane sugar—a foodst which the North Americans could not produce at home.

By the end of the World War Cuba was in the hands United States bankers. The subjection of the island make a sordid story. At the end of the nineteenth century to Cubans rose against Spain, and the North American swayed by a genuine sympathy for the oppressed islande joined the Cubans in their War of Independence. "To people of Cuba is and of right should be free and independent," Congress declared, adding in what was known as the Teller Resolution: "The United States disclain the disposition or intention to exercise sovereignty, jur diction or control in Cuba, except for the pacification the island, and expressed the national resolution, when the end has been accomplished, to withdraw and leave the government and control of the island to the people."

Cuba won her war; Spain was defeated and a Cub Republic was set up. Immediately the United Stachanged its tone. In the Platt Amendment of 1901 (whi was made part of the Cuban Constitution and part of t American Treaty with Cuba of 1903) it was stipulat that "the Government of Cuba consents that the Unit States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property a individual liberty. . . ." The good intentions of 1898 h merely paved the way to a Cuba that was an Americ protectorate in everything except name.

The Platt Amendment was interpreted by the Unit States in a wholly cynical manner. Under the wing American naval stations an "independent" governme set up in Havana; naturally only the most sycophantic ticians came forward to hold office under such terms for over thirty years Cuba was ruled by men who were upt or inefficient or both. If at any time the Cubans in anger against the Government the United States ped in and suppressed the rising on the pretext of preing law and order.

hen the United States set to work to develop the id's sugar resources. The process has been described by do Frank in *America Hispana*:

"First, land was bought at a high price: when enough it was American-owned to bring control of the disict a private railroad was laid, giving the American terests a monopoly in the power to move their goods. hen the rest of the district, economically helpless, was bught cheap: or its owner, the independent Colono, as offered a contract which reduced him to economic rfdom and which he could refuse or accept according his preference for slow or swift extinction. The many gar mills were now merged into one, strategically aced at the terminal of a railroad. The variety of crops as destroyed, either directly by purchase of land or directly by control of rail and terminal facilities.

"When the Cuban planter had been crowded out, merican business men proceeded against the Cuban orker. He cost too much, his cultural level was too high. housands, tens of thousands, at last scores of thousands alien Negroes from Haiti and Jamaica were brought

Cuba to cut the American-owned cane. These men, iterate slaves of passage, had no cultural contact with uba; they did not even speak Spanish, and their interurse with the Cuban folk was too slight to make them arn it. They lived in degraded camps, their wages were low that they could not buy Cuban goods: they were d and clothed by the Company Stores whose stock, course, was the shoddy of the United States.

"In 1920 more than 40 per cent of the arable soil

of Cuba was directly owned by American capital; a the mass of the rest was under the American banks which indirectly, fixed prices and wages and controlled to commerce and transportation of the island. The natiplanters who remained, dwindling and desperate, live at the suffrance of those banks which were the Staitself, since no Government of Cuba could survive one day that impugned their sacred law of America investment. The factorization of Cuba, the industrienslavement of its people was an accomplished fact."

There is no doubt that American help had made Curich. The island came to produce a quarter of the whoworld-supply of cane sugar. In 1928 the average weat of the population is said to have been higher than in a other country. Yet Cuba had been morally stunted in I growth: instead of a potentially self-sufficient island we metal, timber and cattle enough and more than enough for her own needs she had become a sugar-plantation; the United States, instead of developing an indigence civilization she had produced nothing but an imitation the Yankee civilization—of which the Government Houwhich President Machado built after the model of the Capitol at Washington and which now dominates Havan is a symbol. Although a small minority were fabulourich the vast majority were miserably poor.

In 1929 there were signs that the United States werelenting in their policy towards Cuba. The new America Ambassador, Mr. Guggenheim, was publicly opposed to a Platt Amendment and to the treaty of 1903. "In negatiating a new treaty," he said, "we should assume the Cuba must work out her own salvation regardless of a mistakes that she may make. I am in complete agreement with the dictum that it is far better for Cuba to make hown mistakes than to have our Government make hown mistakes for her. Our relationship with Cuba, in so far the special protection of American citizens is concerning and should be clearly understood to be suicidal to contents.

tions with other American republics under international

n 1933, President Machado, who had ruled Cuba as despotic puppet of Washington, was driven out of ce. Roosevelt negotiated a new treaty with Cuba: itical interference by the United States was abandoned. Cuba was still economically dependent upon New York.

iti Americanized. One more example of North erican policy in the Caribbean area may be given. iti, the only French-speaking country in Latin America, been an independent Republic for over a century when Marines landed on her shores in 1915. The Governnt of the island was showing signs of breaking downre had been half a dozen Presidents in four years. The nediate object of U.S. interference was to secure the erests of American citizens—especially of the National y Bank which was a stock-holder of the Bank of Haiti. United States forced a twenty-year treaty on Haiti ding her to the repayment of foreign loans. General n H. Russell was sent as U.S. Commissioner and until 9 he was the virtual ruler of the island. His mouthpiece Louis Borno whom the Americans made President in e of the fact that as the son of a citizen of France he constitutionally ineligible for the presidency.

n 1929 a dangerous storm was brewing in Haiti. General seell telegraphed for more Marines, but President Hoover ferred to send a Commission of Inquiry and this Forbes mmission reported that the Americanization of Haiti been a failure and recommended that the aim of the ited States should be the end of the occupation of the public by 1936 when the treaty would expire. The busis of withdrawal was begun at once, the U.S. Commistership was abolished, Louis Borno resigned, elections to held and the control of education, hygiene and public the was put back into Haitian hands.

out the United States had not wholly forsworn its old icy of control. In 1932 a new treaty was offered to Haiti.

It provided for American supervision of Haitian finances for another generation. Unanimously and indignantly the Haitian Assembly rejected this treaty—Haiti was determined to sign nothing that would give the United State the shadow of a legal excuse to prolong any form of control beyond 1936. Not till the summer of 1934 did the Washing ton State Department reconcile itself to the idea of evacual ing Haiti. Then a treaty was signed by which every American Marine, customs collector and fiscal agent was to leave the island before November and by which the Government of Haiti was to be allowed to buy back the National Ban of Haiti which throughout the occupation had been branch of the National City Bank of New York.

The history of the other Caribbean republics is much the same as that of Panama, Nicaragua, Cuba and Hait Everywhere U.S. policy was the same: to secure Nort American interests, strategical, commercial and financial by maintaining in power a Government amenable to the United States, with or without the consent of the majorit of the inhabitants. In every republic except one that policing

was successful. The exception was Mexico.

The Mexican Revolution. Mexico is a huge republication (in all Latin America only Brazil and Argentina are larger. She is rich in every material resource from wheat to oi and her spiritual resources are superior to any in Americation for she was the home of the Maya civilization and the Azta civilization; superb natural craftsmanship and a decemperatural religious sense are the inheritance of moder Mexicans. In the sixteenth century Spain conquered and Catholicized Mexico. In the nineteenth century Mexicanse in revolt, against the Catholic prelates as much against Spanish proconsuls. She achieved independent but not emancipation, for from 1877 to 1910 she was undefined the dictatorship of Porfirio Diaz. He was a despot in the grand manner. In pursuance of a single-minded policy attracting foreign capital and enterprise to his country be confiscated the lands which the Indian villagers had he

common for centuries without record and welded them vast estates; four foreign companies acquired no less in thirteen million acres in Lower California, one single te covered six million acres; the Mexican Indians were ed to work as slaves for the great landowners, two-thirds he Mexican people became peons, tied for life to their ployers, working to redeem an irredeemable debt. To igners Diaz also sold the mining rights, and the wealth Mexico flowed down the pipe-lines to enrich the magnates ne United States. The Catholic Church retained its land all its rights, including that of appointing foreigners to sican dioceses.

n 1910 the Mexican people rose against the Diaz régime.

the Chinese Revolution of 1911 and the Russian rolution of 1917 it was a spontaneous upheaval of the ple to break the power of capitalist exploitation. But Mexicans had no Bolshevik Party to guide their revolution, they had not even a Kuomintang. For ten years, from to 1920, the real direction of the Mexican Revolution obscured by the struggle of rival groups for power.

orfirio Diaz was succeeded by Francesco Madera, an active, incapable idealist who was unable to prevent sico from becoming a prey to rival condottieri. Most of se were as unscrupulous as the war-lords of revolutionary na. In 1913 the strongest of them, Victoriano Huerta, ssinated Madera and established himself in Mexico City. hing can be said in Huerta's favour; he was a ruffian se uncontrolled passions would have kept him inside cison or a lunatic asylum in any orderly country.

resident Wilson of the United States had watched the rse of the Mexican Revolution with apprehension. He eved in the right of every people to determine its own n of government; but the prospect of a crazy Huerta his southern frontier was too much for the President's ciples: he could not believe that the Mexican people ted General Huerta for their ruler. So Wilson refused recognize the General, refused to sell arms to his folcers though he allowed them to be sold to his enemies,

and when an excuse presented itself he sent Admir Fletcher with a fleet to Vera Cruz and the Admiral bon barded the town and took possession of the Customs Hous

In a way the President was right: the Mexican peop if they had been articulate would have pronounced again Huerta whose tyrannical methods were not very different from those of Diaz. Huerta was succeeded by Carranz a bearded, bespectacled, patriarchal figure who seemed understand in a dim way the underlying meaning of th Mexican Revolution. In 1915 he issued a land decr restoring the commons to the villages. In 1917 he calle together a rather unconstitutional assembly which issue a new Constitution for Mexico. The Constitution went rig to the heart of Mexico's grievances: it declared inter al that the State was the owner of all land, that foreigne possessed no rights in Mexico which Mexicans did n possess and that the Catholic Church might neither ow property, teach in schools nor appoint non-Mexicans cures in Mexico. But Carranza had no real power; l could not get the necessary legislation passed to enforce the clauses of his Constitution; nor could he deal firmly ar lawfully with the U.S. oil-men (who had formed a Nation Association for the Protection of American Rights Mexico, of which our friend Doheny of the Teapot Don was a leader) or with the Catholic prelates who protested against the Acts of 1917, nor could he awaken the imagin tion of his own people.

In 1920 Carranza was deposed by a group of friends fro Sonoro: Obregon, Calles and Adolfo de la Huerta. Gener Obregon—whose name is a Spanish version of O'Brienhad been in the thick of all the fighting since the early da of the Revolution. On one occasion he had lost an arm, o many occasions he had narrowly missed losing his hea The United States and most of the European Powe including Great Britain regarded him as a desperado at refused to recognize him as President of Mexico. But Obregon the Mexican Revolution had at last found leader; he understood that in essence the Revolution w

assertion of the indigenous culture of the Indian-blooded ulation of Mexico: it was a spiritual revolution in the se that the Chinese, the Russian, the Irish and the Indian igress movements were spiritual. But the spiritual revoluwas impossible while the country lay under foreign nomic control. Mexico's natural resources, like those of na and India, were in the hands of foreigners: in 1922 per cent of the capital invested in Mexican oil, the total which was estimated at 960 million dollars, was held by th Americans and Englishmen; little more than one per t was held by Mexicans. This foreign wealth was necesto Mexico's economic well-being, yet the foreign conwhich foreign capital had hitherto implied was fatal to real life of Mexico. Here lay Obregon's problem: to t the rights of the foreigner without driving his money of Mexico.

n 1921 the Washington State Department proposed a ty guaranteeing the property rights which U.S. citizens acquired in Mexico. In return for Obregon's signature United States would give official recognition to his presicy. Obregon declined politely: the Mexican Governnt, he said, "proposed to eliminate by the natural elopment of its political and administrative policy the essity for promises which might humiliate it, and pros to follow this line until the field appears sufficiently of obstacles to permit its being recognized without udice to its natural dignity and sovereignty." And there ters stood, at an impasse, until 1923 when the United es, seeing that Obregon had established himself firmly was keeping order and maintaining a measure of justice, vever rough, in Mexico, patched up an agreement with President who consented to fund the American debt to recognize American ownership of the railways. was December 1925 before Obregon and his friend les who was now President felt strong enough to carry Revolution a step further. This step took the thoroughly

d form of a couple of laws applying the principles of the stitution of 1917. The first was a land law recapitulating

Article 27 of the Constitution according to which "on Mexican citizens might own land or obtain concessions exploit the subsoil; or if foreigners received the same rig they must agree . . . not to invoke the protection of the Governments in respect to the same." This aroused a stor of protest from the United States; Secretary Kellogg wro that the Land Law was "viewed with genuine apprehe sion by many if not all American holders of property righ in Mexico." The Mexican President replied that he did n understand their apprehension: had not the State Arizona a law to the effect that "no person may acqui titles or property in Arizona unless he be a citizen of the United States or has declared previously his intention becoming such "? The American Press clamoured for w with Mexico; oil magnates damned the Mexicans robbers, bankers damned them as anarchists.

Meanwhile the Mexican Parliament had passed a secon law enforcing the Constitution of 1917. This law recapit lated the religious clauses: "Religious institutions know as Churches, irrespective of creed, shall in no case have leg capacity to acquire, hold or administer real property. Places of worship are the property of the nation, as represented by the Federal Government, which shall determine which may continue to be devoted to their present pupose; . . . no religious education may be imparted without the consent of the Government and no foreign priest mental hold a living in Mexico."

The Government's quarrel was not with the Cathol religion as such. Most Mexicans were Catholics and other religion had any following in the Republic; the parish priests were admired and obeyed. The quarrel with the hierarchy, partly because it was rich and corrupt partly because it owned a great deal of land and was on posed to every social reform, partly because it had the monopoly of education and used it for reactionary propaganda, partly because it was foreign in spirit and personnel. The situation in Mexico was like that in Englaunder Henry VIII: a Catholic country in revolt again

me. A closer parallel is the situation in post-war Turkey: country of believers in revolt against a reactionary and n-national Church.

The Mexican bishops refusd to accept the Church Laws 1926. Rather than carry oen their mission on such term y closed their churches and suspended public worship. ey expected that the popular outcry of the faithful prived of their Mass would bring the Government to its ses, but the Government refused to yield an inch; it couraged the formation of a National Church and, when t failed, set out to deport all the foreign priests it could ch. Civil war followed. An archbishop succeeded in lying a few faithful Christeros and took up arms against Government, the Government replied by forbidding the ebration of the Sacraments in private houses and concted domiciliary inspections wherever priests were pected of being in hiding. Neither side was scrupulous its methods; the Church Party appealed for American p to crush the revolution, and the Government put ests to death on the flimsiest evidence—a notorious case s the execution without trial of a Jesuit Father, Miguel on the charge of being implicated in an attempt on regon's life in 1927.

The Church Party flourished under persecution but the vernment kept control of the situation. At last the ited States had to recognize that it must come to terms h the Mexican Government. In 1928 Dwight Morrow s sent as Ambassador to Mexico. He proved himself the est of diplomats. The dispute over the Land Law was at settled: the United States abandoned its claim to prot its citizens in Mexico and recognized the right of the exican Supreme Court to pronounce on the rights of the S. oil-companies; and the Mexican Supreme Court amptly declared that the oil-companies' property was fully held. It was a sensible compromise.

The religious war went on. In July 1928 General Obregon, o had just been elected to another term of office as sident, was assassinated by a devout young Catholic,

who declared, when on trial, that he had acted on the sug gestion of the Mother Superior of a well-known convent The Mother Superior admitted that she had, jokingly made some such suggestion. She was condemned to twent years' imprisonment and anti-clerical feeling had anothe lease of life in Mexico.

At last, in 1929, a truce was made between the Churc' and the Government—thanks again to the mediation of Dwight Morrow. The State agreed to allow religious in struction to be given in churches—but not in schools—and to recognize priests appointed by the Catholic hierarch on condition that they registered themselves as Mexical citizens. On these terms the Church agreed to resume public worship.

Civil war ended in July 1929, but the struggle between Church and State continued. In September 1932 the Pop felt constrained to send an encyclical letter (Acerba Animi) to the Mexican bishops in which he complained of the Government's failure to observe the terms of the truce "To Our great distress We saw that not merely were a the Bishops not recalled from exile, but that others wer expelled without even the semblance of legality. In several dioceses neither churches nor seminaries, Bishop's resi dences, nor other sacred edifices, were restored; notwith standing explicit promises, priests and laymen who ha steadfastly defended the faith were abandoned to the crue vengeance of their adversaries. Furthermore, as soon as the suspension of public worship had been revoked, increase violence was noticed in the campaign of the Press again. clergy, the Church and God Himself; and it is well know that the Holy See had to condemn one of these publication which in its sacrilegious immorality and acknowledged pur pose of anti-religious and slanderous propaganda ha exceeded all bounds." So long as the Church laid emphas on the restoration of bishops' residences and exercised censorship of the Press the anti-clerical trouble in Mexic was bound to continue.

The Mexican Revolution is still in full course. No one ca

dict its future, but every historian must agree that, atever path it may follow in the future, the old condition I never return. Mexico will never again be a political vince of Spain nor an economic province of the United tes, nor a park for a few slave-owning landowners. xico will be a nation in every sense of that word, a entry with a distinctive civilization capable by its distincts of playing an integral part in the complex pattern of rld civilization.

t is extraordinary how little was known in Great Britain of : Mexican Revolution. By refusing to recognize Obregon : British resigned themselves to receiving Mexican news ough the misleading channels of New York and the tholic Church. Consequently it was not realized in Great tain that a revolution was taking place in Mexico which s as far-reaching as that of Russia and of China. The xican Revolution touches neither of the others but it is rallel to both in so much as it is an assertion of a people old civilization to develop according to its own genius e from the interference of foreign politicians and prelates. e first twenty-five years of the Mexican Revolution have en full of catastophe: Huerta's reign of Terror, Cariza's régime when corruption, chicanery and violence nt unchecked, Obregon's religious persecution; scarcely ear passed without a political assassination, never a year thout fighting in some quarter of the Federation. Yet result has been the establishment of the rights of xicans to their land and their customs and the ognition of those rights by their neighbours.

Le United States' New Policy. Even more than in 1918 Caribbean countries were dependent on the United ates in 1934, but towards the end of that period a change d taken place in American policy. During the first decade was frankly imperialistic: the Monroe Doctrine was still erpreted as conferring a right of political interference in wibbean Republics. American imperialism, unlike that European Powers, did not take the form of simple

annexation, the State Department went to work more subtly recalcitrant Caribbean Governments were condemned a revolutionary and refused official recognition by the Unite States; supplies of arms were withheld from them and sen to their opponents; whenever a party favourable to th United States asked Washington for help, Marines wer sent and the amenable party was established and main tained in power vi et armis. But in the year 1928 a chang began to come over Washington policy. The boom i domestic stocks diverted American investors' money fror foreign investments to home industries, and Presiden Hoover realized that the business of defending America investments in the Caribbean by force of arms cost mor than it was worth. (The cost to U.S. taxpayers of collecting the debts of a few private interests in Haiti by the use of the navy was estimated as ten times the amount of th debts). Perhaps Hoover realized also that the anti-American feeling to which this policy had given birth—th fear of the Peligro Yangui, the Yankee peril-had the wors possible repercussion on American relations. In 192 President Hoover made a goodwill tour in Latin Americ and Mr. Morrow came to terms with Mexico; in 1929 th Commissioner was withdrawn from Haiti; in 1933 the las Marines left Nicaragua and in 1934 Hoover's successo promised the evacuation of Haiti and a new treaty wit Cuba which would entail the abolition of the Platt Amend ment. The United States had abandoned the policy of political imperialism and had come to apply to the Carib bean the methods of peaceful economic penetration which had had such extraordinary results in South America.

III: THE SOUTH AMERICAN REPUBLICS

EFORE 1914 the United States had little economic luence in South America. Buenos Aires and Rio de neiro were nearer to London than to New York; even Pacific ports, Lima, Valparaiso and Santiago, were more ressible to Europe than to the eastern ports of the United tes: British and German traders had captured the de of the Southern Republics.

le United States' Economic Penetration. nity of the United States came with the World War. 1914 the flow of goods and money from Europe was Idenly shut off and South America turned to the North capital and commerce. At the beginning of the war there s not a single U.S. bank operating in South America; 1921 there were no less than fifty-four. South America atained those very raw materials which the North lacked; thin a few years the United States became the chief yer of Bolivian tin, of Chilian nitrate, of Brazilian coffee. uth America needed those very manufactured goods ich the United States turned out so cheaply and so well mass production; within a few years cars from Detroit re rolling in thousands along the newly macadamized ads of the Southern cities and jolting their way over the igh tracks up country. A huge trade was developed ween North and South.

For over a decade after the war this commerce continued make the fortunes of both parties. The industrialists of North made millions out of exports to South America, Southern farmers and ranchers made millions productor for the apparently inexhaustible American market.

British business men struggled gamely to regain their pr war position, and South America, finding herself with tw suitors for her favours, played one against the other in manner most advantageous to herself. In the end the United States bid higher and to the United States Sout America pledged herself.

Perhaps it is misleading to talk of the United States is this connection. It was not the Washington Federal Government which was conducting negotiations, but privat U.S. firms. (And there was no question of the Federal Government's backing private enterprise by political pressure is the great Republics of South America as there was in the unstable Republics of the Caribbean.) It was not Washingto but the firm of Guggenheim that developed tin and nitrate not Washington but Morgan's I.T.T. that equipped the Southern continent with telephones and telegraphs; not Washington but the agents of Ford and General Motor who tumbled over each other to sell cars to the two millio odd inhabitants of Buenos Aires.

Even the loans to the Republican Governments whic comprised no less than a third of U.S. exports to the South were not negotiated by Washington. Private U.S. bankin houses sent representatives to urge Southern Presidents t accept a loan. The impecunious Presidents were easily per suaded; it would be their successors who would have t raise the interest. Armed with their contract the banker returned jubilant to New York and put the loan up for public subscription. They may have doubted whether th subscribers would ever get a return on their money but that was not primarily the bankers' concern: they floate

¹ U.S. investments in five South American Republics (from U.S. Department of Commerce Trade Information Bulletin, No. 767, 1931)

Total Direct Investments Security Investments

	10000	Delega Incontinues	Doodi by Little Stille
	(in thousands	(per cent)	(per cent)
	of dollars)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Argentine	807,777	45	55
Chile	700,935	45 63	37 62
Brazil	557,001	3 8	
Peru	222,055	62	38
Bolivia	116,045	53	47



the loan and pocketed their commission; that was the end of the transaction as far as they were concerned. As for the North American public, they were glutted with money, do not know what to do with it: they were only too pleas to invest in South American Loans. So everybody—Predents, bankers and U.S. public—was satisfied. For a time

This, then, is the theme of South American history in t post-war decade: the increasing trade with the Unit States, the increasing direct investment of U.S. capital the industries of the South and the increasing securi investment in loans to the South's dictatorial Presiden We can best trace its working by discussing five of t largest South American Republics in turn.

In Peru all the contradictions that make up typical South American Republic are to be found: natur riches and foreign exploitation, democratic Constitution and despotic President, poverty-stricken aborigines as wealthy feudal landowners. The chief exports of Peru a cotton, sugar, copper and petroleum, and for three, least, of these the United States had an urgent nee American money poured into Peru, twelve million dolla into cotton and sugar plantations, seventy-five million in copper mines, a hundred and twenty million into oil-wel until these native industries were to all intents and purpos owned by North Americans. President Leguia, who was power from 1919 to 1930, was delighted by this rap opening-up of his country. He was further delighted by t willingness of American bankers to raise loans in the Unit States for the Peruvian Government. To maintain a person autocracy in a State as large as France, Germany and Ita combined needs money: the army and the police must paid regularly, the members of the hundred or so famili of Spanish blood who consider themselves the natural rule of the country must be given sinecures consonant with the aspirations. President Leguia contracted loans up to hundred million dollars through the American bankir house of Seligman. This was enough to secure the financi PERU 431

bility of his régime; the President's personality did the . He censored the Press, exiled political suspects without I and treated political opposition as treason.

These methods turned opposition into revolutionary nnels. Radical opinion pointed to the danger of ending upon U.S. finance and accused the foxy little sident of having sold Peru to Wall Street. A Peruvian ialist, Raul Haya de la Torre founded an inter-American anization of students and workers known as A.P.R.A. ianza Popular Revolucionaria Americana). In 1919, 1921 l 1923 he led revolts against Leguia, but Peru was too prosous during the nineteen-twenties to listen to revolutiones. Raw materials were fetching high prices and the United tes demand seemed insatiable. Haya was sent into exile.

ile. Much the same conditions prevailed in Chile, ept that the Indian problem was much less serious and long coast-line and good portage favoured the growth a commercial middle-class who were less amenable to itical dictatorship. The landowning class consisted of the nous Forty Families, who formed a feudal aristocracy. m the foundation of the Republic under Bernardo Higgins down to 1890 Chile was ruled by Dictators; n followed a shocking period of graft when politics renerated into a scramble for office and the spoils of ce. At last, in 1920, a brilliant politician of Italian cent, Don Arturo Alessandri, became President and leared himself to the poorer classes by relying on them I not on the Forty for support. To the rotos, the poor, he ered attractions that sayoured almost of Moscow. The ces of reaction were not long in combining. A general lied the Forty and the army; Don Arturo had to leave Argentina, on holiday. The army, after some vicissiles, produced a real champion in the person of General rlos Ibañez, who made himself President in 1925. There s no equalitarian nonsense about Ibañez: he put the in their place and turned to the United States for ancial support. In five years he borrowed no less than

\$500 million, thus quadrupling the national debt. I encouraged the flow of United States capital into the nitrate industry. The American house of Guggenheir which had first come to Chile for copper, became the virtual owner of the great Chilean nitrate combine (known as Cosach from the first syllables of its title, Compagn Salitrera Chilena).

The Bolivian Republic was in a less happ Bolivia. condition. In the first place the white people for who interests the Republic existed were a very small minori of the population-there were three million Indians ar half-Indians in Bolivia and only 300,000 whites. Second the country was split by nature into two parts, a high metalliferous plateau where nothing will grow, and a region of tropical valleys where nothing will stop growing; 1 railway communication was practicable between the tw regions and consequently the tin workers of the plates were deprived of the food-products of the valleys. Third the Republic had no access to the sea. Railways connecte her with the Pacific but the lines were British-owned ar the ports were in Peru and Chile. To secure a Pacific po Bolivia claimed the provinces of Tacna and Arica and th claim was supported by the American Secretary Kellog Naturally enough it was opposed by Chile and Peru. Wi the Atlantic she was connected by the Paraguay river the trouble here was that there was no deep-water po in the Bolivian reaches of that river. Bolivia therefore la claim to the swamps and forests known as the Gran Chac Opposition to this naturally came from Paraguay. To gi up the Chaco would be to surrender half Paraguay ar bring the Bolivian border up to the junction of the Paragua and Pilcomayo rivers and to the very walls of the Parag ayan capital. Once again America showed herself symp thetic to Bolivia's claims. The reason for this sympathy w that Bolivia was rich in tin, and the United States, wi their growing canning industries, needed half the world production of tin. The only country that was richer that livia in that product was Malaya; and Malaya was in tish hands.

Bolivian politics accordingly centred round tin, which leed made up 92 per cent of the exports of the Republic. politician who could secure American co-operation to velop the industry could maintain himself in power. In 25 President Siles overthrew the constitutional Government and established himself as a dictator by the familiar ethods of censorship, political arrests, and foreign loans. The loans came from the United States and the house of aggenheim entrenched itself in the Bolivian tin industry. The right to drill wells for oil was sold to the American andard Oil Company—and rumours spread that there are rich oil deposits in the Chaco.

gentina. Argentina is the richest of all the South nerican Republics. There seems no end to its natural ources; it is capable of exporting millions of tons of heat and maize and flax every year, millions of heads of ttle, sheep and pigs, it can grow sugar-cane and vines d has an unlimited timber supply in its forests. As the oplier of the world's meat Argentina used to have a midable rival in Australasia, but the invention of the illed-meat process put Argentina ahead in the European arket. Long before the war Great Britain had realized the portance of the Argentine Republic as the world's catest farm: British capital was poured into the country the amount of \$1,000 million; twenty-five thousand les of railway were built with British money. American mpetition began with the war. Great Britain had secured e railway concessions, America won concessions for tram-tys and for telephones and for cables. Great Britain had cured an Argentine market for textiles, America won the arket for cars, for radio-sets, for tobacco. Soon it became ar that the Anglo-American struggle for the trade for uth America would be fought out in Buenos Aires. The ates sent their Mr. Hoover, their President-elect, on a odwill tour in Argentina; Great Britain sent the Prince of

Wales to open a Trade Exhibition; but Argentina was no persuaded that the products of the Anglo-Saxon countrie were as necessary to her as the products of Argentina s obviously were to America and Great Britain. Argentin restricted her export of food-stuffs. She also set a tariff o imported goods. The effect of this tariff was to keep ou British textiles and railway material but it was not high enough to exclude American mass-produced articles. B 1929 it was clear that America was winning the race. I 1913 Great Britain sent \$135 million worth of goods t Argentina, and the United States only \$47 million; it 1929 the British exports stood at about the same sum bu the American had increased to \$210 million. Great Britain' only advantage was that she bought more from the Argen tines than the Americans did. British business men i Buenos Aires cleverly invented a slogan: "Buy from thos who buy from Argentina." For a time it had some little effect. It did not improve the relations between British and Americans in Buenos Aires.

From 1916 to 1922 and from 1928 to 1930 the Argentin Republic had a President who was extremely chary c foreign commitments. He refused to join in the war agains Germany, he withdrew from the League of Nations, h recalled his Ambassador from Washington in 1928 and h did not sign the Briand-Kellogg Peace Pact. Altogethe President Irigoyen was an extraordinary figure. He was handsome Basque with a dash of Turkish blood in his veins an autocrat in so much as he kept all the reins of govern ment in his own hand and delegated authority to no one, democrat in so much that he stood for the interests of th middle class, and he had a real affection for the poore people, who adored him. He had a flair for the picturesqu that is rare among twentieth-century rulers: shutting him self up in his palace he received no one who did not interes him; he professed Theosophy; he was no respecter c persons and a great respecter of human beings—his box a the opera was filled not with ministers and diplomats, bu with down-and-outs.

Irigoyen's rich humanity and his policy of political lation brought Argentina together as a nation, made ssible the development of a national culture that was gentine and not European or Yankee. But in his personal lation he was blind to the fact that the offices of state re riddled with corruption. It would need more than the rsonality of President Irigoyen to save Argentina from e deluge of the world economic crisis.

azil. Brazil stands apart from the other Republics of uth America. It is larger—larger even than the United ates. Its sixteenth-century conquerors were not Spanish it Portuguese, and its coloured population is not red but ack, not Indian but African. It has experienced a huge ave of immigration in the last century; since 1820 four illion people have come to Brazil to settle and of these nety-five per cent are European.

Brazil is a Federation, its full title being the United ates of Brazil. The States are in no sense equal in importce; those of the tropical north having little influence, the litical power is divided between the southern States of to Paulo and Minas Geraes. From 1900 to 1926 the Presints of Brazil were drawn alternatively from these two ates, a São Paulo President for one term of four years, a inas President for the next.

The prosperity of Brazil in the post-war decade was based a single product: coffee. Two-thirds of the world's coffee-pply came from Brazil. At first fabulous fortunes were ade by coffee-growers. Then the output of Brazil began creep up to the level of average consumption. Foreign eculators began to buy up the season's crop and to hold it a high price; the growers had the mortification of seeing coffee they had sold cheap being re-sold for twice the ice. The Government under President Bernandes had no lution to offer—Bernandes was too busy keeping the untry under martial law to think of marketing schemes.

1926 Washington Luiz became President and in the lowing year a Coffee Institute was established to finance

growers and to market the crop, as a whole, in Braziliar interests. Foreign buyers had to pay high prices; the United States was particularly hard-hit by the Institute's activities for it bought about half the Brazilian crop. The profits were so enormous that there was a rush to increase the coffee production, with the result that the output of 1928 was 28 million sacks—twice that of the previous year.

Brazil depended almost entirely on the coffee market She had other exports (cocoa, for instance, in which only the Gold Coast surpassed her output), and she had industries capable of turning out enough textiles, clothes, shoes, tinware and furniture for her own needs. But her real energy was almost entirely devoted to coffee-production it accounted for 75 per cent of her export trade. America was her biggest customer, and from America she bought a great deal since the war: the light and power companies in Brazil were America's; there was a General Motors plant and a Ford plant. To Ford was sold the rubber concession of the district of Para (whose principal town is called Fordlandia). Great Britain has an immense capital investment in Brazil, but since the war it has been stationary; while America's investments which were almost nil in 1913 have been developing by leaps and bounds.

The World Crisis Hits South America. Enough has been said to show that the five most important South American Republics were rapidly becoming a commercial colony of the United States during the nineteentwenties; the exporters lived on North American orders and the Governments, for the most part, on North American loans. Only two Republics stood outside the United States' sphere of influence. The Pacific Republic of Ecuador was saved from dependence on foreign markets by a pest which in 1925 ravaged her cocoa plantations; before that she had supplied 30 per cent of the world's cocoa, after that the world preferred to buy from West Africa. American lenders were not interested in tropical Ecuador where the energy of politicians seemed exclusively devoted to a struggle

tween Clericals and Anti-Clericals. The oil concesn went to Great Britain and the Anglo-Ecuadorian Oil mpany drilled 400 wells and claimed to have an output 18,000 tons a month. The Atlantic Republic of Uruguay aped economic dependence for different reasons. It cted a Socialist Government which was thoroughly alive the dangers of foreign money. The railway was British ned but the British gave the Socialists their fullest coeration, arranging for the free transport of seed potatoes. wheat for sowing and of chemicals to combat pests. The uguayan Socialists did their utmost to prevent workingss discontent: they passed an Act enforcing a fortyht-hour week, they put into practice a system of workers' urance and of pensions for workers over the age of 50. y made education free even in the University grade. th some justification they claimed that Montevideo with 750,000 inhabitants was a model city and Uruguay the t governed State on the continent, but their policy of reing foreign loans prevented them from establishing intries of their own, and they remained dependent—if they re to buy industrial products at all—on the sale of their tle, which was inferior in quality to that of the Argentine I higher in price than that of Brazil.

Vith these two partial exceptions the South American publics were dependent on the United States for money. went well for ten years after the war, but in 1928, with boom in U.S. industrial stocks, the flow of capital to 11th America began to dry up. Then came the Wall Street 1929. The United States instantly recalled her 1929. The United States instantly recalled her 1929 and cut down her foreign imports. Worst all, the price of raw materials slumped. The South 1925, and their Governments, whose revenue was chiefly 1920 to 1920

e Year of Revolutions. The natural reaction of the th Americans was to blame the Government. In each he five Republics which we have discussed there was a

revolution—five revolutions in the thirteen months between

June 1930 and July 1931.

The first Government to fall was that of President Siles in Bolivia. In June popular riots drove him out, together with General Hans Kundt, his German Chief of Staff. Genera Blanco Galindo appointed himself provisional ruler until new President could be elected. The elections returned Salamanca as President, and Blanco Galindo, with a fore sight rare in Latin American militarists, resigned, leaving to Salamanca the unenviable task of saving Bolivia from the bankruptcy threatened by the slump in the price of tin Bolivia was saved, but not by President Salamanca. The new British-American Tin Corporation came to an under standing with the Guggenheim group to raise prices by limiting the world supply of tin. This benefited their re spective shareholders and helped the Bolivians; the only thing that can be said against it is that it made consumer pay twice as much for tin as they need have paid if the Malayan producers had been allowed to market their cheap product at their own price.

The second Government to fall was that of Peru. By Jun-1930 Peru's exports had fallen to half their former value. It July the army led a revolt against the dictator Leguia the President was driven out and replaced by the arm leader Colonel Sanchez Cerro. The new man was personally popular—was he not, obviously, an Indian by birth?but he could not raise the price of petrol. The Peruvian began to listen to the Socialist preaching of the A.P.R.A-it leader Haya de la Torre was an orator after their own hear -and after seven months Cerro was hounded into exile But the Socialists were no more successful than he had been in raising the price of Peruvian products. In October 193 Cerro was recalled and re-elected President, by a narrov margin of 54,000 votes over Haya de la Torre. More was to he heard of the latter and the A.P.R.A. There were Socialis (or Communist) revolts in 1932 (by then the copper mine were producing only a fifth of their usual output). Conserva tive politicians blamed Mexican and Muscovite propaganda

ey might just as well have blamed the moon. Peru s bankrupt and ready for anything, even for radical ormers who reminded her people that they had not been lependent since the days of the Incas, and that the Inca ime was Communist.

The next Republic to founder in the economic storm was gentina—the most advanced country in South America h from the political and the economic point of view. In tember 1930 General Uriburu carried out a successful 'ascist' coup, banishing Irigoyen, the Grand Old Man Argentina. When he had exiled Irigoyen's supporters and bidden the Radical Party—the only Nationalist party in country—from putting up candidates for the Presidency, neral Uriburu held an election and secured the return of other general, Justo by name, to the Presidency.

in October 1929 a "revolution" took place in Brazil ountry which in the course of its history as a Republic l never known a successful revolt. President Washington z had asked for trouble: he was due to resign in 1930 I it was the turn of a Minas man for the Presidency, but shington Luiz was trying to secure the election of his São ulo friend, Prester. A rising headed by two generals and admiral disposed of Washington Luiz and of Prester, l eventually a certain Getulio Vargas was made Provihal President. Vargas enjoyed the support of the Brazilgauchos, the cow-boys of the plains. He was not a revoonary, not even a Radical, but he passed an eight-hour Bill, a Bill fixing a minimum wage, and he made some vision for insurance against unemployment. The Coffee titute tried to deal with the slump in prices by putting eavy export tax on coffee and then buying up millions of s which it burned, or dumped into the sea, or mixed h tar for use as fuel. Even these drastic measures did not p Brazil; the world-price of coffee showed no signs of ng again; in October 1931 Brazil declared herself une to meet her foreign debts.

The fifth revolution to follow the slump was in Chile. sident Ibañez, with his policy of American loans and his

taste for building sky-scrapers on the New York model, wa discredited. In July 1931 he was driven from office. Ales sandri rushed back from Paris to stand in the forthcomin elections, full of schemes for the revival of Chile. He was de feated by the Conservative candidate, Dr. Montero. Th new President was no more capable than any other Sout American ruler of raising the prices of his country's stapl exports: copper was fetching a beggarly price and nitrate were falling almost as rapidly. Even if the nitrate industr could be made to pay, the profits would go to Yankee share holders. As the depression deepened, the Chileans began t listen with more sympathy to revolutionary schemes for re form. In 1932 the left-wing party overthrew Dr. Montere and from June to October Chile was a Socialist Republic Then the eloquence of Alessandri—the beloved Don Artur —prevailed once more and he became President again. Bu early in 1933 "Cosach" went into liquidation; Chile wa bankrupt.

The five "revolutions" of 1930–1931 settled nothing They were not revolutions in the true sense of the word. The Republics remained essentially unchanged after them there was the same oppression of Indians in the north west, the same oppression of negroes and white-labourer in the east; there was the same jobbery and corruption by Governments, the same reliance upon the army and the other armed forces, there was the same mutual jealous between the neighbouring Republics, a jealousy intensifie by the tariffs which each levied on the goods of the other is a desperate attempt to save the home market now that the export market was lost. All except one thing was essentiall the same in the lean years as in the years of plenty. The one thing was the attitude towards the United States.

The Montevideo Conference. A strong anti-Yanke feeling began to grow up all over South-America, stronges in Peru, weakest in Brazil. Everywhere there was talk the *Peligro Yanqui*. Hadn't the Yankees bought up the mineral resources? Hadn't they saddled them with a hug

of debt? As for the debt, the South Americans couldn't, and that was the end of it. Of the \$1,750 million ch the Yankees had invested in five South American Relics, \$1,300 million was in default by 1932. Why hadn't Northerners had the sense to insist that the loans were lied to productive purposes? The dictators had frittered money away on their friends, and the United States ald no doubt be glad of the excuse of default to interfere tically in the Southern Republics as they had interfered he Caribbean.

o reasoned the Southern politicians on the lean years. y came round to the anti-Yankee attitude of their disutable cousins in the Caribbean. When the Seventh Panerican Conference met in the electric atmosphere of ntevideo in 1933 the twenty Latin American Republics e united in their distrust of the United States. President sevelt sensed the spirit of the meeting admirably. He Mr. Cordell Hull to Montevideo and allowed him to there the conciliatory co-operative rôle which presitial policy had not allowed him to play at the London ference earlier in the year. Latin America feared United tes intervention in the name of the Monroe Doctrine, but Hull's interpretation took all the sting out of that old or. He insisted on American belief in "the absolute ependence, the unimpaired sovereignty, the perfect ality and political integrity of each nation, large or II." The Cuban delegate was incredulous, but the rest he Conference was soothed by this and by Mr. Hull's cated assurance that "no Government need fear any rvention on the part of the United States under the sevelt administration."

hat bogey laid, the Conference spent the rest of the e in signing peace pacts and in deploring the war that been raging for nearly two years in the Chaco between aguay and Bolivia. The Conference urged the bellights to come to terms and expressed its sympathy with League of Nations Commission which was investigating quarrel. Yet the war went on throughout 1934. "The

struggle is a singularly pitiless and horrible one. The side and wounded receive inadequate attention," reported the League of Nations Commission. "Behind the lines while the struggle goes on, both countries are growing poorer and poorer and their future seems darker and darker. The young men are at the front; the universities are closed... The Chaco war represents a veritable catastrophe to civilization in that part of America."

The war was being fought with modern weapons: aeroplanes, armoured cars, flame projectors, quick-firing gund machine-guns and automatic rifles. "The arms and materials of every kind," to quote the League report again are not manufactured locally, but are supplied to the belligerents by American and European countries." The war could have been stopped at any minute by a simple agreement on the part of those countries not to allow further transport in arms; the machinery for such an agreement was in existence in 1933: the World Disarmament Conference was in session at Geneva and the Pan-American Conference at Montevideo. Yet nothing was done: the Conferences deplored the war, the Governments continue to countenance the export of arms; and the fighting went or

The practice of selling arms with one hand and signin peace pacts with the other was no more absurd than a doze other practices which had vitiated American relations in the post-war period. The whole story savours more of Candia than of plain fact: lenders imploring—even bribing—Sout American Presidents to borrow; investors of the most democratic country in the world keeping half a dozen dictator ships alive by their investments; producers letting their crop rot in the fields while consumers went under-nourished.

The crisis taught each part of the continent one lesson. President Roosevelt, as we shall see, took steps to preven any future negotiation of loans to foreign Governments of the part of private bankers. The Southern Republics of their side learnt that in an unstable world a nation prosperity can be no more than precarious if it is based of the export of one single product.

IV: CANADA

HE ECONOMIC CONDITION of Canada had much common with that of Argentina. Each had a huge ritory with a small population (Canada 10 million, gentina 11 million). Each had infinite undeveloped burces and one single resource (Canada wheat and gentina meat) developed to such a pitch that the national nomy was dependent upon its export. Each had the he basic economic problems: to develop their other burces so as to avoid dependence on foreigners' demands a single article and to develop their own manufacturing ustries. Argentina did not realize this, she let herself be ried dizzily forward on the crest of the boom and was hed to bankruptcy when the wave broke. Canada was ter advised. She set to work to develop industries in ebec and Ontario, protecting them by an ever-rising iff wall. The industries were not altogether her own: nsylvanian mines were nearer to the industrial centres n the mines of Nova Scotia; and many of the industries re merely branches set up in Canada by American firms. the fact remained that Canada was slowly becoming ustrialized.

The policy of protecting manufacturers turally involved trouble with the farmers. During the per they had increased their acreage under wheat by over per cent, and they were loath to reduce it to suit post-reconditions. They had a grievance against the bankers industrialists whose name carried so much weight at tawa—it was an open secret that the Parliamentary mmittee of the Manufacturers' Association and the

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Bankers' Association had the whip hand over the Federa Government. The farmers learned to unite. They formed political party and won control of the Ontario Provincia Government in 1919. In 1921 they won 65 seats in the Federal Parliament. They called themselves the National Progressive Party and stood for the reduction of tarify and the increase of government aid to farmers. At the 1925 elections they won only 25 seats, but still they were strong enough to hold the balance between the Liberal and Conservative Parties; it was not until the great depression had set in, not until 1930, that a Conservative Premier Mr. Bennett, was able to command a clear majority.

Meanwhile the farmers had given the world an example of co-operation within a capitalist society. In 1923, when wheat prices were down to half 1919 level, the farmers of Alberta formed a pool to market their wheat collectively. It the following year, the other two wheat-growing provinces Manitoba and Saskatchewan, followed and a single bargain ing agency representing 140,000 farmers was formed Through the Wheat Pool farmers were able to get cheap capital and machinery and a higher price for their wheat

Canada enjoyed a full share of th Canada in Crisis. world prosperity of the nineteen-twenties. The Governor General at the opening of Parliament in 1928 said: "Neve in the history of Canada has there been such industria and commercial expansion as that which has taken place during the last twelve months." Yet Canada was no spared a full share of the great depression. "The crash of the Canadian Stock Market on October 29 and November 13, 1929, was the greatest in its history, and the losses of the investors were estimated at five billion dollars, as it became apparent that common stocks which had been preferred during the speculative craze to sound investments were of very little value. The railroads were affected almos immediately, and by 1930 freight traffic in Canada was the lightest in nine years, and passenger traffic had fallen to the level of 1909. The deficits of the Canadian Nationa unted with alarming rapidity, and even the Canadian ific eventually had to pass its dividends. In 1931, 161 ks on the Canadian exchange declined \$1,173,000,000; he year following, the decline of 50 stocks was nearly and one-half billion dollars. Tax receipts fell heavily Dominion and Provincial budgets faced huge annual cits. The spectre of unemployment raised its ugly head rywhere and threw new burdens on the Government in form of unemployment and poor relief. The suffering the agricultural West became so acute that political eavals of great significance occurred on the prairies; collapse of the grain market brought suffering to usands of farmers, and the Dominion Government found ecessary to give financial relief, not only to prevent ering, but to keep some of the Provinces from defaulting their public debts-a policy which would have engered the financial structure of the whole Dominion. external trade of Canada in spite of heroic efforts to new markets fell off rapidly in 1930 and 1931, especially the United States. The riots staged by Communists unemployed in Toronto and elsewhere, and the mobg of the Prime Minister and the Government buildings Newfoundland early in 1932, were striking symptoms of olitical disease that reached far down into the vitals of body politic."1

the Dominion was upon the United States may most ly, if dully, be indicated by figures. Each country was other's best customer. Canada's imports from the ted States rose from \$396 million worth of goods in 4 to \$847 million in 1930, while imports from Great ain in the same years stood at \$132 million and at \$189 ion. Canada's exports to the United States showed an a greater proportionate rise; in 1914 they were worth 3 million, and \$515 million in 1913, while exports to at Britain stood at \$215 million in 1914 and \$282 million

¹ Carl Wittke in A History of Canada (New York: 1933).

in 1930. Canada was fast becoming an economic annexe the United States. "At the beginning of 1931 the investment of capital from the United States in Canada was about 30 per cent greater than the combined America investment in Great Britain, Germany, France and Italy Considerably more American capital has been invested it Canada than in the whole of South America, and America investors have purchased nearly as large an amount of the direct and guaranteed obligations of the Dominion, Provincial and Municipal Governments of Canada as they have of bonds issued by State Governments in the Unite States." 1

In all this economic penetration there was no questio of political annexation. Once the idea of union with th United States had been on the tapis, when Canada herse had asked for it in 1807, but now a sturdy nationalism ha grown up in Canada, and on America's side there we nothing to be gained by annexation (political influence necessary to back investments only when the Government of the debtor country is unstable: Canada had a stable Government whose members were alive to the advantage of the American connection); indeed the Americans had great deal to gain by Canada's remaining a member of the British Commonwealth for by the simple process of setting up branch factories over the Canadian border American industrialists could get inside the British tariff ring an take advantage of any imperial preference there might be

Relations with Great Britain. If Canada was an economic annexe of the United States, she was also a politica Dominion of the British Empire. In the post-war years the imperial connection underwent a subtle transformation Canada won the recognition of complete independence is foreign as well as domestic affairs. This right had been claimed before the war. Her lavish contribution of men and money in 1914–18 won her the right to sign the peace treaties as a separate Power and to a separate seat on the

¹ W. O. Scroggs in an article in Foreign Affairs, July 1933.

gue of Nations. In 1920 her right to establish legations oreign capitals was recognized, though it was 1927 re the first Canadian Minister presented his credentials Vashington and then in law if not in fact he was the sh King's Minister sent to represent "the interests of Dominion of Canada." A similar contradiction had in 1923 when Great Britain had signed the Halibut eries Treaty with the United States and the Canadian ister had refused to sign in the name of the British bire. The legal position was at last brought into line the actual position at the Imperial Conference of and in the Statute of Westminster which defined, ever vaguely, the status of a self-governing Dominion in the British Commonwealth.

anada had more to gain from her connection with the ted States than from that with Great Britain. But in a bumper crop made it difficult for farmers to get a itable price for their wheat, and in the following year cs fell still further and the Wall Street crash checked crican investments and reduced American purchasing er. In 1930 the United States' attempt to protect her industries injured Canada severely: the Hawley-Smoot is hit 275 of Canada's exports to the States. It was time Canada to turn her connection with Great Britain to unt.

t the Imperial Conference held in London in 1930 Bennett proposed that each Dominion should raise its its against foreign goods and allow Empire goods in at old rates. This did not fall in with the British idea of erial preference and the Secretary for the Dominions aissed Mr. Bennett's proposal as "humbug." Further ussion was postponed to the Imperial Economic Connece that met at Ottawa in July 1932. By this time ada was feeling most acutely the effects of the crisis. Tas expected in England that Canada would be ready all in with the plan for a general reduction of tariffs in the Empire, but Mr. Bennett knew that Canada's culture had nothing to gain and her industry everything

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to lose by imperial free trade. The agreements signed of Ottawa with Great Britain and the various Dominion provided for no reduction of tariffs; instead duties foreign goods were raised so as to give comparative advatages to goods from the Empire. The Ottawa Conferent proved that even in a crisis the British Empire could not combine in any real economic unit.

It might have been expected that the United State would make an attempt at a closer economic connectiwith Canada. The Roosevelt Administration did inde sponsor that St. Lawrence Treaty which had many su porters on either side of the frontier. The plan was to buil a joint canal that would connect the Great Lakes with the deep waters of the St. Lawrence. A Canadian canal alread existed, but it was navigable to small ships only; it wou have been possible for Canada to build a large canal f sea-going ships on her own account, but American c operation was obviously preferable. On January 1 1934, President Roosevelt asked the Senate to ratify the treaty, urging that the joint canal would enable U.S. gra to be exported to Europe by a direct route down the Lawrence instead of via Texas or the Mississippi, and adding that the locks of the new canal would make possible the electrical development of the north-eastern States. The treaty was obviously excellent in principle, but in practiit was contrary to certain vested interests in the Unit States. The Senate threw it out.

The world crisis caught Canada at a difficult stage in hedevelopment. The outside world intended her to be gigantic granary and lumber camp supplying the indutrialized Powers with wheat and paper. She intended herself to be a balanced community, consuming her own raw materials and producing her own industrial goods. In the post-war years she was moving slowly towards this idea gradually diverting farmers from specialization in whe to mixed farming, gradually increasing her protection industries. The ideal was obviously unattainable while she remained so under-populated—her railway system for the stage of the

unce was built to serve a population of three times its al number. Caught between two stools Canada suffered full force of the economic crisis. Her wheat rotted on prairies, railways and steamship lines languished for t of freights, industries worked on half-shifts because purchasing power of the community was diminished.

Canada, whose natural resources and whose position ween Britain and America, the two richest nations in the ld, promised her a future of unlimited prosperity, ained half way between economic infancy and maturity,

growth indefinitely arrested.

Plight of Newfoundland. Newfoundland is an and not much bigger than Ireland with a population of much more than a quarter of a million. No mention ld be made of it in a book on this small scale were it not the fact that its history stresses at least two things that true of all American countries and indeed of most of the ntries of the world. The first is that among an uncated people democracy is bound to be irresponsible and upt. The second, that the bankruptcies and revolutions 1930–34 were not caused by a malignant deus ex iina known as the World Crisis but by continuous maltice throughout the post-war decade, malpractice ch came to the surface in the bankruptcies and revoluts of the crisis-years.

he Newfoundlanders are mostly poor fisher-folk living cattered hamlets and faced with the rude task of earning three-months' fishing season enough to keep themselves their families alive for the rest of the year. During the there was a suddenly increased demand for fish. The mg industry made large profits. The money did not go he fishermen but to the dealers—the system in Newdland was that the dealers fixed the price of fish and the price of the equipment, clothes and food which the ermen had no alternative but to buy from them. From dealers the politicians who ruled the island were drawn, y had almost unbounded power: Newfoundland was

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the oldest Dominion, it enjoyed almost as much inc pendence within the British Commonwealth as Cana herself. The profits of the war years filled them wi unbounded optimism. The island would become industrial centre: had not one or two paper-mills alread been opened by news-print concerns? The island wou become a tourist-centre: was not the scenery and the tro and salmon fishing second to none? In its anxiety to bui roads and railways to attract tourists the Governme neglected the fisheries and plunged the Dominion into del In the twelve years after 1918 the public debt was increase almost threefold till it reached the fantastic figure of \$40 per head of a chronically poor fisher people. It needed b the mildest push from the World Crisis—the drying up the thin trickle of tourists, the drop in the price of wood pulp and of fish—to topple the island into bankruptcy fro which it had no prospect of emerging for several generation

In 1933 a Royal Commission was appointed by the Kir "to examine into the future of Newfoundland and, particular, to report on the financial situation and the prospects therein." The report of the Commission prosented the interesting spectacle of Britons damning whole heartedly a capitalist régime of a British Dominion. "The evidence tendered to us from all sides and from responsible persons in all walks of life," reported the Commissioner "leaves no doubt that for a number of years there has been a continuing process of greed, graft and corruption which has left few classes of the community untouched by it insidious influences." The upshot was that Newfoundlan abandoned its right to self-government and gave up its at ministration to a Commission appointed by Great Britain.

The remark quoted from the Newfoundland Repowould apply almost equally well to every country on the American continent. In almost every country "the processof greed, graft and corruption" continued unabate through the years of crisis 1930–34. Only in the Unite States was a whole-hearted attempt made to check the process. This attempt we have now to describe.

V: THE NEW DEAL IN THE UNITED STATES

ITTICS OF DEMOCRACY complain that it is a dull of government—providing bread, perhaps, but no uses—but a Presidential Election in the United States is exception; it is the greatest political circus in the world. The election of 1932 excitement was increased by the c of fear: the economic crisis was threatening the whole al structure. For three years collapse had been prevented individual effort, but now individual charity was exsted; something more was needed to save America. It time for organization. The question was which party d supply it.

Presidential Election, 1932. The Republicans put vard Mr. Hoover for re-election. He was renowned as an inizer: had he not saved Belgium from famine after the Property of the Democrats had difficulty in choosing a candidate. The Democrats had difficulty in choosing a candidate. The was Al. Smith of course, the Governor of New York of and the most skilful politician in the Union. But the was an Irishman and a Roman Catholic: the mocrats of the Southern States distrusted him and put ward their own candidate, Governor Ritchie of Maryl, a gentleman of the old school. A third group of mocrats supported McAdoo, who was no less than a in-law of Wilson. The party was divided and as ally happens in such cases, not one of the popular candiss was nominated. The nomination went to Franklin and Roosevelt, the Governor of New York State.

t first it was not thought that he had a chance of being ted President. He had a good name, perhaps the best

name in America, for Franklin still stood for individualiberty, and the Delanos were a highly respected family descended from the early Flemish colonists of New Argusterdam days, and Roosevelt—well, the memory of The dore was still green and his name a rallying-point for Americans of every party. He had a good record, a brillia career at Harvard and Columbia, a successful term office as Assistant Secretary of the Navy and an enviab reputation in the unenviable post of Governor of New You State. But he was as yet unknown: "a pleasant gentlema with no important qualifications for the Presidency," Walter Lippmann wrote. And he was a cripple; an attact of infantile paralysis had cost him the use of his legs. The seemed that he had little chance of defeating Hoover arguster than the seemed that he had little chance of defeating Hoover arguster.

In the summer of 1932 Hoover began to lose groun-Prices stopped rising and began to fall again, leavir Hoover, with his talk of returning prosperity, stranded are ridiculous. A section of the unemployed claiming to be ex-Service men marched to Washington and campe there, refusing to move until their grievances were redressed. Hoover sent the police to beat them off; ex-convicts, be called them, no better than Communists. This was no way of winning votes. In September the State of Maine elected its new Governor. Usually Maine was Republican; the time a Democrat was returned. The tide was turning.

In the autumn Roosevelt began his election-campaign: earnest. He chartered a train, filled it with his staff and he family, and addressed audiences in 41 of the 48 States of the Union. His tactics were simple: in each place he praised the local leader, Democrat, Progressive or Radical, extolled he personal virtues, expressed the warmest admiration for him. No subtlety could have been more effective. The Republican West was fascinated by Roosevelt. At the election in November Roosevelt was elected President. It polled 25½ million votes to Hoover's 16 million; it was a record majority.

America wanted the new President to begin his term

e at once. He had promised Action, let him act. The ntry needed action; there were 15 million men out of k, perhaps 35 million people in all dependent on ity; prices of basic commodities were at low-water k: the farming community was ruined and rebellious owa farmers were armed and threatening to shoot colors, judges or sheriffs who came to collect debt or to close mortgages. Let Roosevelt act! But the Constituwas in the way. The Constitution demanded that the President should remain in office for another four ths, with the old Congress. Roosevelt and America t wait till March. Roosevelt was not sorry: he needed to prepare his plans. Also there were pressing and ward decisions to be made for which he would prefer ver to take the blame. The instalments in the Allies' s were due in December and everybody knew that Allies would not pay and that their refusal would inate American opinion—let Hoover bear the brunt of

ic. During the Interregnum—from November to ch—the condition of the country went from bad to se. In spite of everything Hoover had done in 1932 to ulate business activity, the whole gigantic business hine was coming to a standstill. He had laid out a sand million dollars in the purchase of securities ugh the Federal Government, hundreds of millions in e, Municipal and Federal loans, nearly five hundred ion in an attempt to raise farm prices through the cral Farm Board, yet securities and farm prices showed rise and unemployment increased. The American lic, seeing an unbalanced budget and a depreciated ar ahead, began to withdraw their deposits from the ks.

anic followed. It began in Michigan, in February. To the banks of Detroit, the Michigan Government deed a bank holiday, but the Detroit employers had to cash to pay their workers and so drew on their accounts

in the neighbouring cities of Cleveland and Chicago; consequently bank holidays had to be proclaimed in Cleveland and Chicago. And thence the creeping paralysis spread over the Union until after nineteen days the banking system the whole country had come to a standstill.

Emergency Measures: Roosevelt's First 100 Days.

was at that moment that Franklin Roosevelt was inaugurat as President. Millions of Americans who turned on t radio to listen to his inaugural address on that Saturda March 4, were faced with the loss of every cent of the savings, travellers were stranded and housewives we unable to buy provisions for want of ready cash; the whole population was made to realize as it had nev realized before that America must brace itself for a n tional effort towards recovery. Roosevelt began his Pres dency by declaring all banks closed for a period of for days-later extended to a week-thus taking the matter out of the hands of the individual States and making himself and the Federal administration responsible for finding a solution. Then he called Congress to assemble fe a special session. For the next hundred days events we to move faster than they had ever moved in the history the United States.

Immediately the new President proposed and carrie two pieces of legislation which won him general suppor The first was a Bill to economise \$500 million of Feder expenditure by cutting down ex-service-men's (veterans pensions. These pensions had been the apple of Congress's eye; they were supported by a most formidable lobby in Washington—altogether they had at one time run away with almost a quarter of the budget. Hoover haplayed to the veterans' gallery by granting a pension bonus of nearly a billion dollars. Roosevelt took the opposite course and the nation welcomed the economy, nowith hints against broken pledges, but as the promise of a balanced budget which in those days was synonymou with the end of the crisis. The second Bill licensed the

ufacture of beer up to 3.2 per cent alcohol. Oddly 1gh, this was of great psychological importance; the ion of the public to whom bank-holidays and economics nt nothing cheered Roosevelt to the echo for that Bill.

In Sunday night, a week after his inauguration, Roose-broadcast a message to the American people. He said he intended to open some of the banks on the morrow. asked the people what they proposed to do. If they took opportunity to withdraw the rest of their deposits, the lt would be general bankruptcy. If on the other hand put money into the re-opened banks it would be sible for the normal economic life of the country to be med. Very quietly and very sincerely he asked them to osit their money; it would be safer there, he added, a in the mattress.

loosevelt was taking a huge risk. He won. When the ks re-opened there were queues at the doors, queues of ple anxious to increase their deposits. In the first tens of his administration the President had put an end to ic. Distress remained, distress in every State and in ry class in the Union, but it was with a new feeling of fidence that Americans looked to Washington.

he administration was faced with four great problems. first was unemployment—fifteen million men out of k, no system for State relief, and private resources for ef reduced to exhaustion. The second was agriculture—ty million farmers saddled with mortgages they could er hope to pay and gagged by agricultural prices that all leave them with a loss on their crops. The third was ustry, hit by the breakdown of international trade and the reduced purchasing power of the millions of farmers I unemployed and by the general loss of confidence. The th was finance—the whole machinery of finance, thing and stock-marketing, which had blown the bubble 1929 and had collapsed in March 1933, would have to reorganized completely.

coosevelt set to work with a gusto that carried the whole erican nation with him. His method was to fire Bills at

Congress empowering the President to spend huge sums money on employment, agriculture, industry and finance reorganization and leaving the detailed means in whi the money was applied to his own discretion. To deal wi unemployment an Emergency Relief Act grant \$500,000,000. Employment could not be expected come at once, but the President gave one personal example a new detachment of unemployed had invaded Washingto this time of young men who had been unable to find wor Instead of turning the police on them, the President we to their camp and talked with their leaders. What did th want? They wanted work. "Right," said Rooseve "here's work for you: the forests of America have be wasted by over-cutting, fire and neglect; if you like volunteer for forest work, there's food, lodging and dollar a day for every man of you." He was as good as l word; by April 6, 250,000 had volunteered and by July all were at work.

To deal with the plight of agriculture Roosevelt p forward and Congress passed an Agricultural Adjustme Act. This A.A.A. set aside \$2,000 million to save more gaged farms. Part of the money was to be spent in i ducing the mortgage holders to give longer and easi terms to the farmers; a further provision of the Act ga the Government power to subsidize the farmers to lin their grain and cotton crops and to reduce their output pigs (which Americans call hogs) and of cattle. It was paradoxical reform, paying farmers to work less and destroy their crops, but nothing seemed absurd that mig force up the prices of agricultural products. The subsidi were to be paid for by a tax on the processors—the man facturers who prepared the raw products for consumptio Thus the consumers were taxed in the form of higher pric for basic commodities to relieve the agricultural population

To deal with industry a more detailed scheme was necesary. The trouble there was the cut-throat competition which had led to undercutting, reduced wages, bankruptci and unemployment. Roosevelt asked industrial leaders

vise him; they proposed a scheme of "Industrial Selfvernment" by which the great industries should be canized as monopolies. This would have the merit of pping cut-throat competition but Roosevelt saw that it uld do nothing to raise the purchasing power of the pple on which the return of prosperity in the last instance bended, so he called in the leaders of organized labour advise him and appointed a Committee representing the nerican Federation of Labour, the Railroad Brotherhoods l the Amalgamated Clothing Workers. This was an ovation for America, where organized labour had been pised and derided. The workers proposed shorter hours work, the abolition of child labour and a fixed minimum ge. From the proposals of employers and employees an ustrial plan was evolved in the form of the National lustrial Recovery Act. The N.I.R.A. demanded that the ployers in each industry should prepare codes providing a minimum wage, a maximum working week and the olition of child labour; these codes were to be given a blic hearing in Washington at which committees resenting workers and consumers would give evidence. e President would then modify or approve the codes. ce approved the codes would have the force of law. The I.R.A., it was hoped, would help the employers by the nination of "unfair" competition, the employees by ter hours and higher wages, and the country at large by ing the purchasing power of the community.

e Tennessee Valley Authority. The N.I.R.A. was osevelt's panacea for industrial diseases. But the Presint knew that individual ailments demanded individual atment. The disease of the great cities was that industry loutgrown its strength, but the disease of many country ricts was arrested development, and this demanded a Ferent prescription. The Act establishing the Tennessee lley Authority was justly described as "the most farching adventure in regional planning ever undertaken side Soviet Russia." The Authority was empowered to

plan the whole economic development of the valley. Hill side farms from which little profit could ever be hoped were bought and allowed to go out of cultivation and the farmer were installed on small holdings in the bed of the valley. The Authority promised to supply cheap electricity for domestic purposes and encouraged them to work only half the day on their holdings and to produce not for the market but for their family needs only; for the other has of the day they might find employment in the new light industries established in the small towns of the valley and run with the same cheap electric power. Every effort was made to make the valley self-contained culturally as we as economically. The Tennessee dances and folk-songs were revived and for the first time the farmers' children receive a thorough education.

It is difficult to see how the Tennessee Valley Plan wa related to the general effort to restore American prosperity It was a successful attempt at planning a collectivize community and undoubtedly beneficent to the inhabitan of the valley. But to America at large, anxious to raise th purchasing power of the whole population so that the good of the great cities and of the vast farming areas could b absorbed, it meant nothing. To Roosevelt and his Minister it meant this: if all attempts to set the economic machin in motion again and put it under honest guidance shoul fail, America would have to abandon her Constitution which had been devised for an individualistic society, an give the Executive coercive power to build a collectivize State. And for that national plan the successful regional plan in the Tennessee Valley would be an invaluable precedent.

The Money Problem. There remained the money problem. It was appallingly complicated; no one seemed able to see clearly more than one aspect of it, and Rooseve himself was bound to admit that he could not see the problem as a whole.

First there was the banking aspect. In the United State

der the Federal Reserve System but most of them tiny ivate concerns subject to the forty-eight different sets of gulations of the forty-eight different States. The 18,000 nks shut their doors in March 1933 and to enable the under of them to open again Roosevelt had to relieve em of their obligation to pay out gold or to export gold cept with a licence from him. This restriction obviated further run on the banks and saved 90 per cent of the ople's deposits. Roosevelt might have gone on to reform e whole banking system, but it would have taken too ng. Instead he patched the old system up by a Banking to twhich demanded that some guarantee should be given deposits.

Then there was the investment aspect. The bankers had ecipitated the crisis of 1929 by gambling with their positors' money. Many of them had created Investment prporations which were nothing more than branches of banks, charged with investing the banks' resources in stocks which seemed most profitable at the moment ne National City Company for instance was an Investent Corporation under the direction of the National City nk). Roosevelt took the obvious step (obvious, at least, Englishmen) of insisting that companies conducting vestment business should be separate from companies gaged in commercial banking. And then he signed the curities Act, compelling promotors to give accurate formation about their securities; this put a check on eculative investment, but the check was so drastic that almost choked investment altogether, and the industrial covery was consequently retarded. The public had no es for the weak points of Roosevelt's reforms. Every elodrama must have a hero and a villain; the melodrama Roosevelt's first hundred days had a natural hero in the esident himself and the bankers were cast for the rôle villain. Roosevelt offered the public a magnificent free tertainment—a public baiting of the financial bulls who d played such havoc with the Stock Exchanges. He allowed

a Senate Banking and Currency Committee to investigat the affairs of the uncrowned king of American financier the mysterious Mr. Morgan himself. The public learned that Mr. Morgan had paid no income tax for the last ten year they learned that he had made another fortune out of the crisis, that he controlled a vast network of electric companies, that he had a list of friends, including members (Roosevelt's own Cabinet, to whom he sold bonds at specia terms. Mr. Morgan replied that the law was on his side no income tax was payable on depreciated capital and h capital had depreciated, it was no crime to invest judicious even in critical times, and it was customary to give one friends the first option on shares. The investigation into the affairs of the National City Bank had a similar result : i Chairman, Mr. Charles E. Mitchell, had received bonuse amounting to three and a half million dollars in three year and in 1929 he had paid no income tax; yet he had no broken the law. The public had to learn the salutary lesso that it was not Mr. Morgan or Mr. Mitchell who was at fau but the laws and customs of the American financial system

Then there was the currency aspect of the money que tion. What was to be done about the dollar? Here the villain was not the banker, it was England. In 1931 England had gone off the gold standard, in other words she ha announced that she would not pay twenty shillings for every gold pound she owed. Instead she paid about fiftee shillings, and American exporters lost five shillings on ever pound paid them by British buyers. Other countriesthere is a list of their names on page 132-had followe England and were keeping their currencies below the ol gold-standard, thus underselling the United States in th world market. Roosevelt was naturally determined to sto the English game. There were two courses open to him he could come to agreement with England to stabiliz their currencies, or he could send America off the gold standard and try to beat the English at their own game of currency control.

Which course Roosevelt would take no one knew. Hi

visers were men of both camps—"sound money" men o wanted an international currency and reformers like . Warren of Cornell University and Senator Thomas of klahoma who advocated a "managed" dollar. The esident followed the advice of both, gathering the powers cessary to pursue whichever course expediency might bsequently dictate. He received the Prime Ministers and voys of European Powers at Washington and gave them understand that America would attempt to reach agreeent about a world-currency at the World Economic inference which was to meet under the auspices of the ague of Nations in London on June 17. Meanwhile he t himself free by taking America off the gold standard step which he accomplished as unobtrusively as possible April by refusing to issue any further licences for the port of gold. The next step was to get the power to control e dollar into his own hands. On May 18 he signed the nomas Amendment (to the Farm Relief Act) which gave m the power to debase the gold content of the dollar by much as 50 per cent. Senator Thomas modestly described s Amendment as "the most important proposition that er came before the American Congress. It is the most portant proposition that has ever come before any rliamentary body of any nation in the world"—by which meant that the American President would be able, if chose, to raise prices by reducing the value of the dollar, d to confiscate part of the savings of one section of his ople in order to reduce the burden of debt and poverty another section.

Roosevelt was now in an excellent position to deal with e currency question. He had the power for everything in s hand and he had committed himself to nothing. He d been working frenziedly to get Congress adjourned fore the middle of June so that he would be left with a ce hand to deal with the World Conference. At last, 105 tys after his inauguration, he signed the outstanding Bills ad left Washington for a sailing holiday off the coast of ew England.

Meanwhile in London the World Economic Conference had been launched. The international aspect of that il fated assembly will be dealt with later; for the moment w are concerned only with the American point of view. From the American side of the Atlantic it seemed that the Cor ference had been launched in a hurricane: the barometer of trade was low-tariff manipulation was causing a dee depression and the compass-needle of exchange-rates wa wavering wildly as the magnetic metal (gold) was shifte from country to country by way of currency manipulation Suddenly Roosevelt decided that one should not try to repair a ship in a hurricane. He telegraphed to London that the rest of the world could mind its own business. This blo dissolved the World Conference. The American delegatio returned stupefied to Washington to ask for an explana tion; there they found that Americans had forgotten a about the Conference and were talking about nothing bu " Codes."

The Working of the National Recovery Act. Early i July the President returned to Washington to face the hardest part of his task. The work that had been done s far was little more than negative-bank-solvency helped farmers saved from losing their homes in the foreclosure mortgages, a few hundred thousands set to work in th forests. It remained to apply the constructive side of th reforms which were embodied in the Agricultural and th Industrial Recovery Acts. The question was whether thes two Acts could be put into operation effectively enough t restore the purchasing power of the nation and to brin her unemployed millions back to work before the winter set in. Roosevelt soon realized that at the present rate progress this was impossible. Industries were being slow i sending in their codes—the work involved was immenand could not be hurried beyond a certain point. By th middle of July only one code was complete, that for th Cotton Industry: it involved great reforms—the abolitic of child labour and the fixing of a minimum weekly was

f \$12 to \$13—but a quarter of the industry stayed outside ne agreements and in other industries employers were weating their men to pile up high stocks at low costs before ode restrictions could be applied. Roosevelt broadcast an ddress to the American people on July 24 urging the ecessity of co-operation and suggesting an emergency neasure: while full codes were being prepared industries nd all business employers were asked to accept a skeleton ode limiting wages and hours of work; the N.I.R.A. was be extended from industry to every branch of business become in fact a National Recovery Act—and every mployer who accepted the blanket code was to display the adge of a blue eagle with the motto "We do our Part." It is worth quoting part of this address because it illusrates very clearly the President's close contact with the ublic, as well as the fact that all that was new in his work vas the attempt to create in America a public opinion in evour of co-operation—and that in itself was such an inovation to people used to the laisser-faire, devil-take-theindmost methods of the nineteen-twenties that journalists hay be pardoned if they called it a revolution.

"Last autumn," said Roosevelt in his quiet voice, "on several occasions I expressed my faith that we can make, by democratic self-discipline, general increases in wages and shortening of hours sufficient to enable industry to pay its own workers enough to let those workers buy and use the things that their labour produces. This can be done only if we permit and encourage co-operative action in industry because it is obvious that without united action a few selfish men in each group will pay starvation wages and insist on long hours of work. Others in that group must either follow suit or close up shop. We have seen the result of action of that kind in the continuing descent into the economic hell of the last four years.

"There is a clear way to reverse that process: if all employers in each competitive group agree to pay their workers the same wages—reasonable wages—and require the same hours—reasonable hours—then higher wage and shorter hours will hurt no employer. Moreover, suc action is better for the employer than unemployment an low wages, because it makes more buyers for his produc That is the simple idea which is the very heart of th National Recovery Act. . . .

"The proposition is simply this: If all employers wi act together to shorten hours and raise wages we can pu people back to work. No employer will suffer, because the relative level of competitive cost will advance by th same amount for all. But if any considerable group shoul lag or shirk, this great opportunity will pass us by an we will go into another desperate winter. This must no happen."

Events proved that Roosevelt was asking too much. I spite of a month or two of vociferous acclamation of th N.R.A. and all it stood for, in spite of the display of the Blu Eagle by nearly every shop in the land, industrialis delayed over the codes; some, like Mr. Ford, refused to b party to any agreement about wages, others signed code and proceeded to violate them in practice. Meanwhile th Agricultural Adjustment Act was not working well. Th cotton planters had been paid to plough under some te million acres of cotton—at least a third of their crop. The had got good money for it but they had to cast tenar farmers adrift; there was distress among the tenants an discontent throughout the cotton-working community a the wretched business of destroying what they had grown The same discontent permeated the wheat and frui growing communities, who were only reconciled to the destruction-policy by the government subsidies received The rearers of hogs were tolerably satisfied: the Govern ment had offered high prices for young pigs and sows; the farmers sold their pigs and kept their sows to breed mor pigs for sale to the Government in the following year. was obvious that the A.A.A. would not succeed even as temporary measure: the farmers had destroyed the crop

their worst land and were concentrating their efforts the good land from which an increased crop could be pected in the future. Nature did more than the Governent to restrict output in 1933 and 1934 when a phenomel drought made harvests poor.

The winter of 1933 came and some twelve millions were ll unemployed. Under N.R.A. a couple of million had been ven work and another half million were employed in onservation Camps. But the Public Works Schemes were ing held up by the necessity of passing them through e State Governments, and the nature and extent of e schemes made it out of the question to get them der way without delay. In November Roosevelt put new scheme on foot: he set up a Civil Works Iministration to distribute to local authorities enough oney to put four million men to work on any jobs that uld be found for them—painting public buildings, laying t recreation grounds and the like. Within three weeks the W.A. had four million names on its books and was disbuting fifty million dollars a week. The men were enusiastic, but the method was too expensive; in February 34 the C.W.A. had to dismiss the four million; they had st \$100,000,000.

It was obvious by the end of 1933 that no constructive sult was coming of the Roosevelt reforms. In January ongress met again and the President sent his annual adget message. Congress was shocked by the huge deficit volved by borrowing to meet expenditure on relief; e only consolation was that the President expected to alance his accounts in 1936. The New Deal was reduced a gigantic scheme for Federal Relief. Seven million rmers were getting relief in the form of mortgage-extension subsidies for reduced acreage or government buying of rplus crops. Four million industrial and professional orkers were being supported by the C.W.A. It is no exagration to say that a quarter of the entire American opulation were directly or indirectly in receipt of federal ands in some form of relief.

The problem had become a race with time. Could the Federal Government continue to support the population until industrial recovery set in? Industrial recover depended on one (or both) of two things: the restoration of the home market by raising the purchasing power the American people, and the restoration of the foreig market by reducing the debts and tariffs which, inter ali prevented foreigners from buying American goods. In 199 there was no possibility of restoring the foreign market Almost every nation in the world was raising its tariffs ar conducting a campaign against buying foreign good Debtor nations urged Roosevelt to cancel their debts America, hinting that they could afford to lower tarif and to buy American goods if they were relieved of the burden of debts, but the American public clung to the debts, and Roosevelt, though personally he was willing enough to write off the interest if not the principal of the debts, was obliged to bow to public opinion. So Rooseve concentrated on the home market. If economic nationalis was to be the order of the day America was in a compartively strong position, being more nearly self-sufficient that any other nation except the U.S.S.R. Yet he did not succee in materially raising the purchasing power of his people the A.A.A. put money in the hands of farmers, but at the expense of the community in general, for the money w raised by increasing the retail price of basic commodities the N.R.A. raised nominal wages, but prices were rising well, and the wage-earners' money bought less, not more than before. There remained one rather doubtful method of temporarily restoring the purchasing power of t people: inflation. The President kept this last card in I serve while he tried in 1934 to win a few tricks in foreign markets. It was not easy-tariffs were higher than eve debts were still un-cancelled, mutual distrust between nations was increasing rather than abating-but Rooseve was able to do something to revive America's export tra by making barter agreements with individual nation arranging for a specified quota of American goods to

ten by them in exchange for definite quotas of their procts. Arrangements of this nature were made with Soviet issia (the Communist régime had at last been recognized, 1933) and with some South American Republics. On the sis of barter a new foundation for international trade was wly, very slowly, being built in 1934.

hievements of the New Deal. It was not possible in 34 to tell how far Roosevelt's experiments would succeed fail, but one or two consequences of the New Deal stood t clearly as landmarks in American history. In the first ce it was obvious that a new spirit had been created in nerican Labour. Hitherto there had been no classasciousness among American labourers. They considered emselves as potential bosses: after all, if one lost a job ere was always another to be picked up; there was no ed to worry about security, no need of insurance or of anized bargaining power; jobs were to be had for the sing. But by 1934 five years of slump were beginning to ch them their lesson. They were becoming classscious. The N.R.A. had given them the right to organize ely and to be represented in collective bargaining by kesmen of their own choice. The Trade Unions were owing in numbers; in 1933 they included only 4 per cent the workers, in 1934 they included 8 per cent. The perican labour movement was still in its infancy, but it s growing and would be a factor to reckon with in the ure.

The greatest result of the New Deal was simply this: American people had become conscious in a new way their political unity. The New Deal amounted simply to new corporate spirit. In the history of the United States in that of all new nations the corporate spirit—the lingness to sacrifice personal interests for the interests of community—is a rare phenomenon. It had appeared in 7 and carried America into the war but it vanished ain in 1919 and America returned to normalcy. This malcy means unfettered individualism. It means the

spirit of the colonists who fought for their independence of the settlers of the covered-wagon days who crossed the Alleghenies and colonized the plains and valleys beyone of the pioneers who laid the first railway track over th Rockies. The industrialists, the company promoters, th loan-floaters and the salesmen who made their fortunes i the nineteen-twenties worked in just the same spirit individualism. They recognized no loyalty greater that loyalty to their company, as the early colonists had know none beyond their colony, the settlers none beyond the family and the railway pioneers none at all. The crash 1929 and the long-drawn misery of the four years the followed it made Americans realize that individualism we not enough. Out of adversity the corporate spirit w: re-created. It took the form of a new political consciourness. In the 'twenties Americans had been apathetic to wards politics—more copies of the newspapers were so after the Tunney-Dempsey fight than after the Presidenti Election of 1928—and their idea of a good Government wa a Government that did not interfere in business. In 199 they hoisted Mr. Roosevelt into the position of Leader ar paid him a degree of respect and obedience as comple and spontaneous as that paid to Führer in Germany or Du in Italy. They made his Government responsible for seeir what they called "fair play" in agriculture, industry an commerce, for fixing interest rates, mortgages, prices ar even the value of the dollar. In effect they made his responsible for restraining individualism wherever it le to one man's becoming rich at the demonstrable expen of another—or at least of another American. The law common decency, in Roosevelt's phrase, was taking th place of the law of the jungle in American economic life.

Roosevelt's was a democratic Government, not a di tatorship: he had enormous power but it had been grante to him by Congress, and Congress could at any mome withdraw what they had granted; he exercised no unco stitutional power, the rights of free speech and of free assembly were not tampered with, there was no question

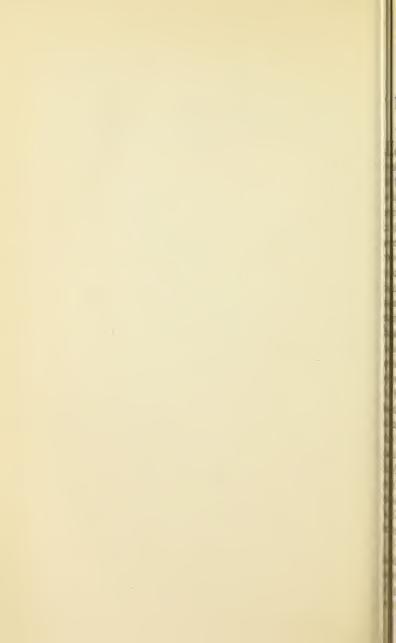
gal coercion or suppression. Voluntarily Congress ented him dictation power, and voluntarily the people most of them—accepted the restrictions of the Codes and played the Blue Eagle sign through the autumn and nter of 1933. But in 1934 there were signs that the penlum might be swinging back again in individualism. le electric interests succeeded in throwing out the esident's cherished Bill for a treaty with Canada to rness the St. Lawrence to a gigantic hydro-electric plant d to open the Great Lakes to ocean steamers by a new hal. The oil magnates blocked his scheme for oil reform. e Codes were failing, for there was no machinery to eck them in the consumers' interests, and the interests of workers were so inadequately looked after that strikes oke out in the textile and other industries. Prices were ing much more rapidly than Codes could raise wages.1 A great conflict was in progress in the United States in 34: a conflict between the traditional individualism of nericans and the co-operative spirit in which alone their cial system could be firmly established. In a sense it was future of democracy that was at stake. If the democratic vernment of Roosevelt could succeed in inducing citizens persuasion to forgo their traditional rights of free comtition and to combine in a nation-wide effort to raise the rchasing power of the community in general, and in rticular of the working class which comprised its vast ajority, then there might be a future for democracy all er the world. If Roosevelt failed, if individual interests used to be persuaded to co-operate, then two alternatives buld be open to America: a return to the laisser-faire rich would mean a further descent down the 1929-1933 ad, or else suspension of the Constitution and rule by ercion. In many countries of the world the latter course d been adopted—in Russia, in Italy, in Austria, in

And yet at the Congress elections of November 1934 the Democrats pt the board and Roosevelt found himself with a two-thirds' majority and him—the only President in American history to have increased majority after the first two years of office.

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Germany, in Japan, dictatorships were in power. Man other countries had retained democratic government an had failed to find a way out of the world-depression. Th world watched America in 1934 with an interest which ha never before been accorded to American affairs since th War of Independence, for in that year democracy was o trial for its life in Washington.

EPILOGUE



THE WORLD IN CONFERENCE

HERE ARE two general principles on which the economic siness of the world may be done. The first is the principle the division of labour by which each country produces nat it is best fitted by geography and by genius to produce d exports its surplus in exchange for the surplus of other untries. This system was highly developed in the nineenth century and added immeasurably to the wealth of e world, but it worked to the advantage of industrialized untries, the demand for whose goods was constantly creasing, and to the disadvantage of agricultural and storal nations for whose products the demand is relatively ble. Furthermore it led to fierce competition between instrialists and financiers for raw materials and for arkets: that competition was the basic cause of the eat war of 1914 and of the great depression of 1929. In ew of this it is not surprising that the world abandoned it favour of the second principle, the principle of merntilism or economic nationalism by which each nation ms at producing at home all the necessities and most of e comforts of life. The advantage of this system is that ch nation feels independent of the plight of its neighbours. disadvantages are apparent: it means a divided world d it means a poor world—in every country economic tionalism involves a reduction in the standard of living d in small nations it involves a return to almost mediæval pnomic conditions.

It is obvious therefore that the world must find some ddle way between international free trade and economic tionalism. In the period 1929–34 ideas as to the nature this middle path were confused; on the one hand there is a movement towards national isolation, on the other

hand a movement towards international co-operation tavert economic breakdown and to restore international trade. Pessimists called the former effort suicidal and the latter insincere. As usual the pessimists were wrong. The movement towards national self-sufficiency was in reality an attempt to organize the productive forces in the country for the good of the community, instead of leaving their unorganized for the profit of a few producers. This organization was a necessary prelude to a resumption of international trade on a new basis of official state-bargaining which had every prospect of being more beneficial to the peoples of the world in general than the old method of private bargaining by individuals responsible only themselves.

Economic Nationalism. The attempt of the Unite States to organize her productive forces has been describe at some length not because it was unique but because the United States crowded into a few months the work which other nations took a generation to accomplish. There was nothing new in the American experiment except its rapidit Italy had had nation-wide schemes of public works for decade, Russia had been working on schemes of econom planning ever since the Revolution. England had ha Wage Arbitration Boards long before the great depression or the N.R.A. was thought of. Even the proposals of the Agricultural Adjustment Act to curtail production were no uniquely American; Holland and Denmark restricted the output of pigs and cattle during the crisis, France limite the acreage under wheat, Japan controlled tea and rich production, India controlled jute and Egypt cotton production, and Brazil's National Council ordered twelver million bags of coffee to be destroyed in 1933. Subsidies wheat-growers had been paid by the British Governme for a decade and the money was found by the means late adopted in the United States—by a tax on "processes Official schemes to help the farmer in England we much the same as in America though the objective wall mpletely different: in England the aim was to increase tput, in America to restrict it.

These early efforts at national economic adjustment were t confined to the Old World. In Australia State enterprise d made considerable progress towards the control of oduction and the regulation of labour conditions before e crisis came and the Commonwealth Government was le to take constructive action to meet the depression in its st stages. The vast Dominion with its meagre population six and a half million people was largely dependent on e export of wool and meat; the slump in the price of these ods in 1929 and after meant a big reduction in the tional income. The Government recognized this openly 1931 and set about sharing the loss among the various asses of the community. Wages were cut down by what hounted to 20 per cent, interest rates on the home debt re reduced in the same proportion, the Commonwealth nk helped local banks over difficult times and allowed a nsiderable expansion of credit. The Australian pound ent off the gold standard, its external value diminished d the Commonwealth was able to wipe off a considerable nount of its external debt. Meanwhile steps had been ken to improve methods of production.

So far economic nationalism could go, and no further, he restoration of prosperity in Australia and in every other untry of the world depended upon the revival of intertional trade. Australia had a stroke of good fortune in 33 when the price of wool rose and the Commonwealth is able to take full advantage of the improvement by the creased stocks she had available for export. But intertional trade as a whole was at a standstill. The President the British Board of Trade announced in 1934 that in the home market for British goods saturation point was in the had that any further development of industry must pend on the re-opening of foreign markets. We must ensider now what attempts at international co-operation does nade since the War, and what prospects of a security of the prospects of eccess existed in 1934.

Internationalism: The League and its Limitations. The League of Nations had been founded in 1919 "in order to promote international co-operation and to achieve international security

"by the acceptance of obligations not to resort to war, by the prescription of open, just and honourable

relations between nations,

"by the firm establishment of the undertakings of intenational law as the actual rule of conduct amor governments,

"and by the maintenance of justice and a scrupulor respect for all treaty obligations in the dealings of organize

peoples with one another."

As the Covenant clearly reveals, the League was not intended to be a World-Federation or a Super-State by simply a League or, as the French title describes it, Society of Nations. No member-nation forfeited one jot a tittle of its sovereignty, for every important decision of the League had to be by unanimous vote and failing unanimit the pledges given by members to combine against State convicted of making aggressive war would not be valiful It may be said therefore that the League had no power coercion; its powers were limited to suggestion and suasion The League embodied no new political ideal: it was simple and solely the latest embodiment of the old Liberal ideal.

Its functions became in practice those of a club and newspaper. But to say that is not to cast any slur on importance. As a club it provided a regular meeting-pla such as had never before existed for the leaders of eve nation (even non-members sent their official "observers to Geneva), a meeting-place where discussions of matter of international interest proceeded regularly and natural where loans were subscribed for needy members and whe countless agreements of mutual advantage were reached in its newspaper-function it compiled and publish statistics on every subject from currency to cholera as

ve publicity to scandals as old as piracy and as new as e private manufacture of armaments. Its Mandates Comssion did all that publicity could do to shame the vicious powers out of misusing their mandatory authority their own interests and the Minority Commissions to ame State Governments out of the ill-treatment of their tional minorities. The International Labour Organizan tried to secure a living wage and decent labour condins for the working classes by inviting Governments to ify conventions concerning minimum wages and maxiim hours and the general health of employees. An incalable amount of persecution and misery was saved by s League-publicity, but the basic abuses remained owing the League's lack of coercive power. Some Mandatories sisted in treating their mandated territories as colonies be exploited for their own profit—notably the French Syria and the South Africans in West Africa. Many wers persisted in defying the Minority Commissionsably the Poles who announced in 1934 that they did t intend to accept League interference in the treatment the Ukrainians. The conventions of the I.L.O. were flom ratified; the most important of them, the Washing-

Hours Convention of 1919, was accepted by no imrtant industrial countries except Belgium and Czechovakia, and the thirty other conventions were received no ter. The average number of States to ratify each convenh was less than nine—out of fifty-eight members of the

.O.

et it is well that the League had no coercive power in early years of its existence for otherwise it would most by have been used in the selfish interests of the victors versailles. The nation that urged most strongly a revision he Covenant so as to give the League an army with the choice its decisions was France, and France nded that army to be used against the Powers who handed a revision of the Versailles Treaty. At first the gue was little but a congress of victors: the Central vers were not admitted for some years and it was 1934

before the Soviet Union was allowed to become a member The Council of the League consisted at first of four maje Allied Powers with permanent seats (Great Britain, Franc Italy and Japan) and of two Allied Powers (Belgium an Greece) and only two others (Brazil and Spain) with ten porary seats. Even in later years when Germany was give a permanent seat and the number of temporary seats w increased to nine, the Versailles bloc still controlled the Council for the convention was established that of the nine one should always go to Poland, one to a Briti-Dominion, one to Spain, three to Latin American Repu lics, leaving three for the remaining States to squabble for The truth is that the world was still thinking in terms Sovereign-States and the Balance of Power, and if General had been given coercive power before public opinion w ready to accept super-national authority the League wou surely have foundered and all progress in the direction world-federation by means of club- and newspape activities would have been at an end.

It was inevitable in view of its constitution and t insistence of public opinion upon national sovereignty th the League should prove impotent in the world cris Attempt after attempt was made to remove the obstact to economic prosperity which had brought on the cri and each failed as soon as one nation's interests were se to be threatened. In 1929 Mussolini tried to impose revision of the treaties upon Poland and the Little Enter by obtaining the signatures of Great Britain, France a Germany to a Four Power Pact, but by the insertion of clause promising to "respect the procedure of the League the Pact was nullified: that procedure was by unanimo vote and therefore the veto of either Czechoslovak Yugoslavia, Rumania or Poland could successfully blo revision. In 1932 an attempt was made by Benes, 1 Czechoslovakian minister, to restore Central and Easte Europe as an economic unit by creating a Danubi Customs Union by which the manufactures of Aust and Czechoslovakia might be freely exchanged for 1

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od-stuffs of Hungary, Rumania and Bulgaria. But ermany and Italy were jealous, and the Union was llborn.

In that same year the League gave the most shocking monstration of its weakness in the Manchurian affair. That this whole Manchurian precedent should be clearly asped is vital for the League's future. It is now established at in a dispute brought before the League, no practical nsequences will necessarily follow, though one of the sputants submits itself throughout to the procedure of League, accepts its finding, and pleads for its aid, while other, after disputing its jurisdiction, finally quits it d continues his aggression. It is established that one ember of the League's Council may, to avenge an assault a few of its nationals for which ample satisfaction was rered, bombard and destroy with much slaughter of rilians one of the chief cities of a fellow member, and the estion of compensation for this savage outrage will never en be raised. It is established that a member of the League by in effect appropriate permanently four wealthy and tensive provinces of another, expel his administration d his troops, and develop this territory for his own purses of strategy, capital investment and colonization, witht meeting from the League any practical impediment atever. It is established that the League, after elaborate uiry on the spot and prolonged debate at Geneva, may clare by unanimous resolution that the warlike operations one member at another's expense cannot be excused on plea of self-defence, and involve the violation of three rnational treaties, and yet the League will neither struct nor penalize the Covenant-breaker, nor extend his victim any material aid."1

By the end of 1932 the League had done nothing to eviate the world depression. Relief to the stricken people Central and Eastern Europe had been refused by the uning of their attempt to form themselves into some sort economic unit. Security to the victims of aggression had

¹ H. N. Brailsford in Property or Peace.

been refused by the failure to take action against Japa and the major failures of the League were yet to come.

The Economic Conference. In June 1933 the Wor Monetary and Economic Conference met in London und League auspices. The object was to put an end to the fluctuation of currencies and the multiplication of tari which were making the restoration of international trad impossible. Prospects of success seemed bright, for leading ministers of the Great Powers had visited the America President in Washington and all seemed agreed on t advantages of stabilizing currency and reducing tarif "The necessity for an increase in the general level of conmodity prices is recognized as primary and fundamental said the Roosevelt-MacDonald communiqué; "we mu when circumstances permit, re-establish an internation monetary standard which will operate successfully." T Roosevelt-Herriot communiqué promised "the raising world prices by diminishing all sorts of impediments international commerce, such as tariff, quota and exchar restrictions, and the re-establishment of a more norm monetary and financial situation."

But no sooner had the delegates assembled for the Cofference than all promises were forgotten. Roosevelt v playing a double game, letting the dollar drop in valuable while the leader of the U.S. delegation, Cordell Hull, v still under the impression that he wanted stabilization Cordell Hull arranged with France a scheme to stabil the exchanges during the session of the Conference; Gr. Britain agreed and nothing was lacking but the formassent of the American President. But Roosevelt refuse he had no intention of agreeing to anything that mit cause prices to fall in America.

The Conference swallowed this rebuff and settled do to committee work. But the American dollar went depreciating and France nervously insisted that se guarantee should be given of America's intention to s fluctuation as soon as possible. To placate the Frence

claration was drawn up and sent to Roosevelt for his nature. It was worded in the loosest terms; its most finite paragraph read: "Each of the Governments natory hereto agrees to ask its central bank to work gether with the central banks of other Governments ich sign this declaration in limiting speculation and, at e proper time, re-inaugurating an international gold ndard."

No one doubted that Roosevelt would sign. But Roosevelt used. And his message of refusal was couched in such de and final terms that the Conference was shattered.

"The world will not long be lulled," he cabled, "by the cious fallacy of achieving a temporary and probably artificial stability in foreign exchange on the part of a v countries only.

"The sound internal economic system of a nation is a eater factor in its well-being than the price of its currency changing terms of the currencies of other nations. . . .

'The old fetiches of so-called international bankers are ing replaced by efforts to plan national currencies with objective of giving to those currencies a continuing rchasing power which does not greatly vary in terms of commodities and need of modern civilization.

Let me be frank in saying that the U.S. seeks the kind dollar which a generation hence will have the same rchasing power and debt-paying power as the dollar hope to attain in the near future. ... "

And more to that effect—America would set her own use in order and let the rest of the world go hang.

The Conference was dead. It broke up at the end of by having achieved nothing except one paltry undernding between wheat-producing countries to limit their ports for the coming year and another between countries lding silver to restrict their sales for the next five years. Perhaps Roosevelt was right. It was easy to talk of "the establishment of an international money standard "but s could not be achieved until each nation had developed technique for controlling the value of its money. A

national currency has two values: an external value terms of the currencies of other nations, which is detimined by its balance of payments, by the ratio betwee what it sells and what it buys, and an internal value whi depends on the ratio between money in circulation a the amount of goods (and the money side of this equati is made up not only of the actual amount of money b also of the volume of credit available at any given tir and the rapidity with which money is circulating). No the advantage of the old gold standard was that it ke the external value of currencies stable between countr which maintained it. The disadvantage was that it c nothing to keep internal prices stable: if the supply of go in the world at any given time was low and the need currency high, then a general drop in prices would follo This is what happened in the post-war years when t shortage of gold was accentuated by the policy of t creditor countries, France and the United States, w refused to use the gold paid to them but locked it up the cellars of their banks. From one point of view th cannot be blamed for this; if they had used their gold th prices would have risen so high that foreign countr could not have afforded to buy their goods. But by steril ing such a large part of the world's gold supply they ma a farce of the international gold standard.

Gold. The alternative to the gold standard was a "ma aged" currency. Instead of having currency convertible ir gold, currency could be made inconvertible and the amou in circulation increased or decreased at will according the demands of the moment. The necessity for decrease increase could be measured by the movement of price for purposes of comparison a certain year, say 1926, wot be taken as normal and prices of a representative selection of goods at any given time compared with their price 1926. Then if prices had fallen currency would be expanded if they had risen currency would be contracted. The advantage of this would be that internal prices could be stabilized.

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what would happen to the external value of currency? rely the exchange rates between countries would flucte and international trade would be handicapped? e answer of the managed-currency advocates was that ll countries adopted a managed currency and stabilized ir prices there need be no fluctuation of international hanges. This was no doubt true. A more serious objectives was that in the present stage of economic development whedge of monetary mechanism was not sufficiently reloped to make human manipulation of a currency tem safe. The great advantage of the unmanaged gold andard was that it was so nearly fool-proof.

At the time of the Economic Conference and after, the rld was divided by its attitude to the currency question of three main camps. One group of nations, the Gold Bloc, need to retain the gold standard at existing gold parianother group, the Sterling Bloc, preferred to manage ir currencies in relation with sterling; Denmark, rway, Sweden, the British Dominions and other nations I manipulated their currencies since 1931 so as to keep m on a parity with the English pound and the result had an fairly stable internal prices and fairly stable exchange as between the nations in that bloc. The United States of the currency with the object of raising internal prices I not bothering about international monetary policy.

his situation was obviously temporary. America could long persist in financial isolation; the Sterling Bloc and Gold Bloc could not long persist in maintaining ferent monetary standards while advocating an interional monetary policy. In 1934 opinion seemed to be in our of re-establishing the gold standard at parities responding to the new international values of the rencies of each nation—in other words by devaluations has France had successfully carried out in 1925. But ore this solution or the alternative of a managed comdity currency could be carried out there would be ded years of government-experiment in controlling the

internal value of national currencies. Public opinion we still in the stage when the medium of exchange was accept like the weather as one of the forces over which man has control.

The Disarmament Conference. Meanwhile the Leagwas attacking the World Crisis from another ang Throughout the greater part of 1932, 1933 and 1934 this biggest of all Disarmament Conferences was in session Geneva. Disarmament had always been the most cherish object of the League. The first article of the Covenant deal with policy laid down that "The Members of the League recognize that the maintenance of peace require the reduction of national armaments to the lowest position of the geographical situation and circumstances each State, shall formulate plans for such reduction for consideration and action of the several Governments." And the Versailles Treaty itself gave no other reason for disarming Germany than "in order to render possible the initiation of a general limitation of the armaments of all nations.

The business of limitation proved unconscional difficult. Only in the naval arm was any limitation fou practicable. The Washington Conference of 1921–22 leto an agreement between Great Britain, the United Sta and Japan to destroy seventy of their warships in agree proportion and to build no more for ten years. A Seconference on naval disarmament met at Geneva in 19 to discuss a similar limitation for cruisers; it broke down because Great Britain refused to reduce her own cruises strength on the grounds that she had 80,000 miles of socommunications to police. Three years later, at a The Conference held in London, Great Britain changed lemind and after arduous diplomatic work by Rams MacDonald accepted the principle of cruiser-parity we the United States.

This was not much to show for twelve years Leag effort towards disarmament. Nearly every nation h

reased its expenditure on armaments in the post-war its: Great Britain was spending \$535 million on armants in 1930 whereas in the year before the war she had it only \$375 million; France was spending \$455 lion in 1930 against \$349 million in 1913; and the ited States' expenditure had soared up to \$728 million in a meagre \$245 million. The League had done its best. Permanent Advisory Committee on disarmament had in appointed in 1920 and a Preparatory Commission was pointed in 1925 to do the preliminary work for a World inference for the Reduction and Limitation of Armants.

beven years later that Conference met. The delegates re all agreed on principle: every nation wanted peace, course, and safety; the problem therefore was the nparatively simple one of deciding the minimum itary equipment needed by each nation. The first soluproposed was proportionate disarmament, a universal ling down of forces by 50 per cent, as the Russians gested, or by 33\frac{1}{3} per cent as President Hoover preced. But Great Britain protested that every ship in her t was necessary for police purposes and that she could reduce them as would have been possible if they were ended against foreign Powers. Whereupon each foreign wer remembered that its forces too were merely police ces. Proportional disarmament was shelved.

The next proposal was to draw a distinction between ensive and defensive weapons and to abolish the former. is seemed simple. Great Britain had no hesitation in claiming submarines offensive, and tanks over 20 tons at offensive, but insisted that battleships and bombing nes were purely defensive. But all the world knew that cat Britain was weak in submarines and was said to be only one tank over 20 tons and that an old one. So it scheme was shelved.

The most promising constructive suggestion was made by French. They were frank enough to admit that human ngs will never abolish weapons of war though they may

attempt to control their use. France proposed to put armed force under the control of the League of Nations, be used to punish any power whom the League Counci by a majority vote, not necessarily by unanimity—shou proclaim an aggressor. This League force would be high trained and heavily armed. National Governments were be allowed to maintain small forces of their own, but ligh armed and engaged for short terms only. All air-weapowere to be in the hands of the League.

This plan was excellent in principle; in practice hower it was open to certain objections. What would happen the leaders of the League Army should prefer to obey orders of their National Government instead of the Leag—Paris, for instance, instead of Geneva? What wou happen if munitions, which must be made and kept some where, were appropriated by the State in whose land the were kept? What was to prevent the Schneider-Creudump, for instance, being appropriated by France in moment of crisis? And even if these objections could overcome, the fact remained that the League force would used to enforce the Versailles settlement and the ascendar in Europe of France.

Great Britain replied with a plan which was moblatantly self-interested than the French. It proposed reduction of national armies to limits which were definit fixed for certain powers. Poland and Germany, for instan were each to have 200,000—although Germany had tw the population of Poland. France was to have 200,000 al and an additional 200,000 for Colonial defence. In the cof Great Britain no limit was mentioned. Nor was nareduction suggested; that was deferred, not to the Grekalends, but to the London Naval Conference of 19 Nor was disarmament in the air seriously attempted: "Thigh Contracting Parties accept the complete abolition bombing from the air," said Mr. MacDonald, "except police purposes in outlying areas." Since Great Britain h more outlying areas to police than any other power the proviso might be expected to work to her advantage. T

sarmament Conference failed, though it provided a eral education in a subject on which the public was not

ed to bringing its mind to bear.

It was not to be expected that the lion would lie down th the lamb just because a Conference was being held at meva, but three great opportunities were presented to assembled delegates and each was lost. First, this was time to accept Germany as a member of the comity of tions, in a spirit stronger than that of Locarno, by owing her equal opportunities for self-defence. Either Powers must disarm to Germany's level—no substrines, tanks, military aircraft, guns over 4.5 inches, nor ips over 10,000 tons—or they must allow Germany to arm. They refused to do either, and Germany very operly walked out of the Conference and resigned from League on October 14, 1933.

Nothing vital could be done until Germany could be npted back to Geneva, and so the other two opportunities re missed as well. The Conference had had a chance of ernationalizing civil aviation. Nothing is easier than to nvert a plane for carrying passengers into a plane for trying bombs. Civil aviation was then in its infancy; eryone expected that it would grow enormously in the axt decade. It is essentially international in the sense that tional barriers do not exist in the air. The internation-zation of air services would have made them immeasurly cheaper and more efficient. Yet nothing was done; tions were left to build up their private services of planes th an eye to quick conversion for purposes of war.

Finally the Conference lost its opportunity to bring ivate armament-manufacturers under control. "The embers of the League agree," in Article 8 of the Covenant, hat the manufacture by private enterprise of munitions d implements of war is open to grave objections. The puncil shall advise how the evil effects attendant upon such unufacture can be prevented...." The Council had other atters to attend to. Besides, only a few nations possessed materials, plant and technique necessary for making

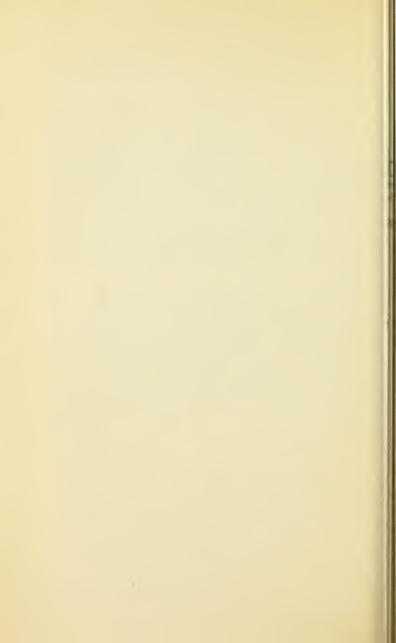
modern instruments of war. Each of those nations preferre to put none but the minimum of restriction upon suc valuable industries. To take armament manufacture und State-control would mean accepting State responsibili for the purposes for which those arms were used; it w convenient for French, British, and United States ministe at Geneva to deplore the Sino-Japanese war and tl Bolivia-Paraguay war while their nationals were but fulfilling lucrative contracts of arms for China and Japa and for Bolivia and Paraguay. Only occasionally did private manufacturer overreach himself, as when a Britis firm inserted an illustrated advertisement for "w material of all kinds" in a German paper, at the ve moment when the British Government was assuring France of their deepest sympathy with the French fear of Germa re-armament.

In Conclusion. By the end of 1934 the efforts of the World in Conference to solve the problems of the age has met with no success. The crisis had shown the fundament weakness of the League of Nations; no way was found prevent nation arming against nation; none of the rem dies which had been widely advocated as a cure of the gre depression had yet been applied: international tracremained throttled, international rates of exchange we still fluctuating, the flow of international capital w still choked, prices were still abnormally low. And y conditions were better than they had been at any periodic the coming of the crisis.

The upheaval of the war and the upheaval of the economic crisis had shaken mankind into attempting control the economic environment in the interests of the community. At last it began to be realized that indust and commerce were social services, and now the old joing stock company ceased to be the unit of production and in place was taken in communist, fascist, monarchic and democratic countries alike by the Public Utility Corporation, a form of enterprise run by experts in the public

terest. At last it began to be realized that finance and irrency existed only for human convenience and that it was public duty to master the mechanism of money and to anipulate it for the common weal.

And here perhaps lies the essential characteristic of this eneration which we have lamely called the post-war age. is the age of the second great Revolution in the history the modern world. The first Revolution, that of "1789," stended popular control to the sphere of politics; instead accepting their rulers from the hand of God by virtue of irth, men insisted on appointing rulers of their own choice, ous inaugurating the age of democracy. This first Revoluon has never been completed: it found no way of giving spression to the volonté générale of a community (as distinct om the volonté de tous) and it made popular political control npossible by making—in the sacred name of liberty—a lse distinction between politics and economics. It has een the vital problem of the post-war age to experiment in ew ways of expressing the volonté générale (via Communism nd Fascism) and to make one more turn in the spiral of rogress by a second Revolution, which has for its object is harnessing economic activities with the reins in the uiding hand of the community. There is no need to mphasize the fact that the second Revolution was far from omplete in 1934.



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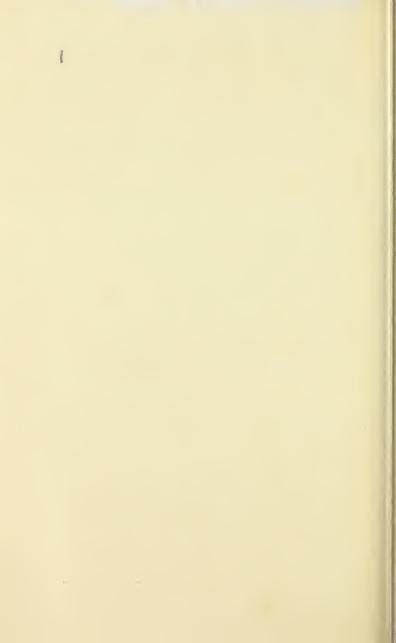
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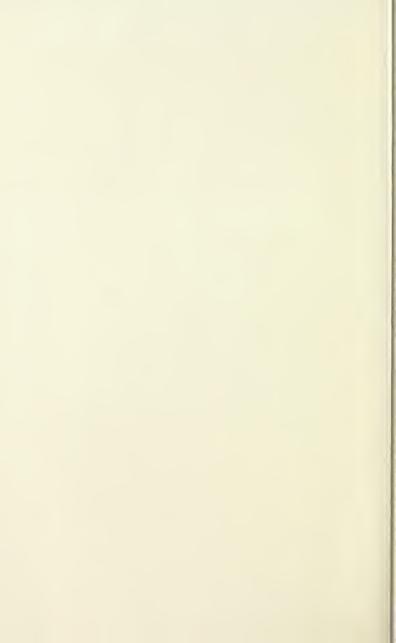
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